Empowering entertainment discovery everywhere

Annual report 2022

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About Linkfire

Empowering entertainment discovery everywhere

Linkfire is the world's leading off-platform entertainment discovery network. Our smart links connect billions of consumers across the globe to the content they love in the apps they love. Since 2014, we have become a trusted partner to the music industry's biggest names and thousands of soon-to-be biggest names. Linkfire is headquartered in Copenhagen, with offices in New York City, Los Angeles and Lisbon, Portugal.

Linkfire makes entertainment marketing easy. We optimize impact, drive streams, increase ticket sales and recommend audio content to billions of fans and listeners on a global scale.

Our SaaS marketing platform transformed music marketing, and we are now building a global recommendation network for audio entertainment discovery to connect even more fans and listeners to the content they love.

Linkfire's customers and partners include most artists on Billboard's annual Hot 100, all major music labels, global audio and music streaming services, social media apps and media publishers.

Consumer Connections

2.1 billion

In 2022, 2.1 billion consumers were connected through Linkfire. We help consumers make fast, safe and wise decisions in a complex market and present them with contextual, bespoke and curated options, so that music and entertainment discovery can happen anywhere. We empower everyone from major labels to independent artists with unparalleled audience insights.

Headquartered

Copenhagen

We are headquartered in Copenhagen, Denmark, with offices in New York City and Los Angeles, United States and Lisbon, Portugal.

Listed

LINKFI

Linkfire is listed on Nasdaq First North Premier Growth Market, Sweden with the trading code LINKFI.

Building a sustainable business

2014 - 2015	Linkfire was founded, and the first version of the marketing platform was developed in collaboration with Danish record labels.
2016 - 2017	Going international. The platform became widely used throughout Denmark and Europe. All three major music labels - Universal Music Group, Sony Music Group, and Warner Music Group – joined Linkfire.
2018	Conquering the US. Linkfire opened its first US offices, followed by a quick adoption increase by the big US record labels.
2019	Building a market leader. Linkfire secures its position as the global market leader by connecting more fans with music than any other competitor.
2020	Scaling up. Independent record labels, competitors, podcasters, and the first large US film studio started using Linkfire.
2021	Linkfire is listed and becomes a publicly listed company on Nasdaq First North Premier Growth Market in Sweden.
2022	Linkfire further solidifies its position in the market and closes 2022 with historical performance taking a significant step towards breakeven as reported in Q4 2022.

Key events and highlights in 2022

Q1

In January completed the acquisition of key global competitor smartURL and announced the expectation of reaching EBITDA profitability for 2023.

Linkfire ranks in the top 10 in Leap's yearly report of the top 100 Danish startups based on digital marketing.

Q2

In April, Linkfire entered a multi-year marketing and affiliate agreement with Amazon Music.

In June, Linkfire initiated organizational restructure by reducing staff and operating setup for its expansion plans.

Q3

In August, announcing that the company is evaluating financing options related to debt and equity in the range of DKK 40-50 million.

In September, Linkfire announced the extension of its multi-year agreement with Apple to expand to Apple Services.

Q4

Revenue growth above 70% and substantially improved EBITDA ratio, marking the best quarter in Linkfire's history.

In October, took further cost reduction actions to ensure profitable operations in 2023 and adjusted mid-term revenue growth to 20-40%.

In November, secured financing of DKK 45 million with completion of tranche 1 (DKK 22.5 million) in December, and tranche 2 (DKK 22.5 million) set to be completed by April 2023.

Letter from the CEO

Lars Ettrup
CEO & Co-founder

2022 was another strong year for Linkfire. Despite market turmoil and internal restructuring, Linkfire grew revenue by 56% and is a significant step closer to profitability.

A year of contrasts, 2022 saw the music industry finally revived while the tech industry was severely challenged. The return of live concerts after years of covid19 restrictions was a welcome change, whereas the global economic climate saw a significant increase in uncertainty.

With our focus on breaking even in 2023, the management team and Board of Directors decided to restructure and streamline our operations and company, resulting in cost reductions. This led to the departure of many good employees in 2022. I want to extend my deepest gratitude for our former teammates' time with Linkfire, and I am thrilled to see how quickly most have found new occupations. The changes have led to a more agile and trimmed organization better suited for our breakeven focus.

In contrast to 2021, where our focus was on scaling our company and business, we shifted our primary focus to the core business and shorter-term value creation, specifically our marketing platform driving both subscription and commission sales.

We remain optimistic about the market and outlook. The music industry continues to grow, and competition for streaming subscribers and market share is increasing. In particular, we see a growing long tail of music and audio creators. BandLab, whose CEO, Meng Ru Kuok, is an investor in Linkfire, now has over 60 million subscribers on their app, indicating a massive potential for growth in the segment.

In 2022, we launched our next-generation Artist Bio-Link, a fast loading miniature website that allows creators to further customize their engagement with their audience, providing an array of opportunities to promote such as tickets, merch, social profiles and the likes. These changes have positively impacted our business, increasing engagement and are expected to impact subscription and commission sales in the years to come. As a result, we are optimizing our platform to suit all types of music and audio creators, whether they use a computer or a phone to reach their audience.

We are proud to have expanded our partnership with one of the industry leaders, Apple Music. Additionally, we entered into an agreement with Amazon, which further solidified our position as a leading marketing platform for the entertainment industry.

2022 was also the year that we secured funding of DKK 45 million, divided into two tranches. The first tranche was completed in November, bringing solid financial and industry backing to the shareholder base. The second is due in late May.

Looking ahead to 2023, we remain diligent with our costs and focus. This year will mark a huge milestone for the business as we target EBITDA break-even. We plan to continue monetising and to expand our consumer connections by offering even more product optimisation, which will expand our footprint and further grow sales. Additionally, we will develop our partnership roster, including vertical expansion and product development for the spoken word industry (podcasts).

I want to thank all our employees for their relentless efforts to bring world-class products to our customers and partners. Humble appreciation goes to our customers, partners and shareholders for your continuous belief in what we do. We are looking into 2023 uplifted by the revenue performance at the end of 2022 and confident about our mission to break even in 2023 in our trimmed and agile organizational setup.

Letter from the Chairman

Jesper Møller

Chairman of the Board

Solid growth throughout 2022 and significantly improved profitability towards the end of the year.

Linkfire focused on efficiency and business initiatives with quicker rates of return, resulting in improved earnings performance towards the end of the year. The narrower commercial focus and reduced cost base resulted in 56% revenue growth for the year while significantly improving the EBITDA margin in Q4 2022.

Commission Revenue Per Mille (RPM) is the company's measure of commission revenue per thousand consumer connections. This is an important financial measure since it expresses the company's ability to monetize its traffic. RPM grew to DKK 8.95, a 23 per cent increase from last year, while achieving an RPM as high as DKK 14.95 in Q4 2022.

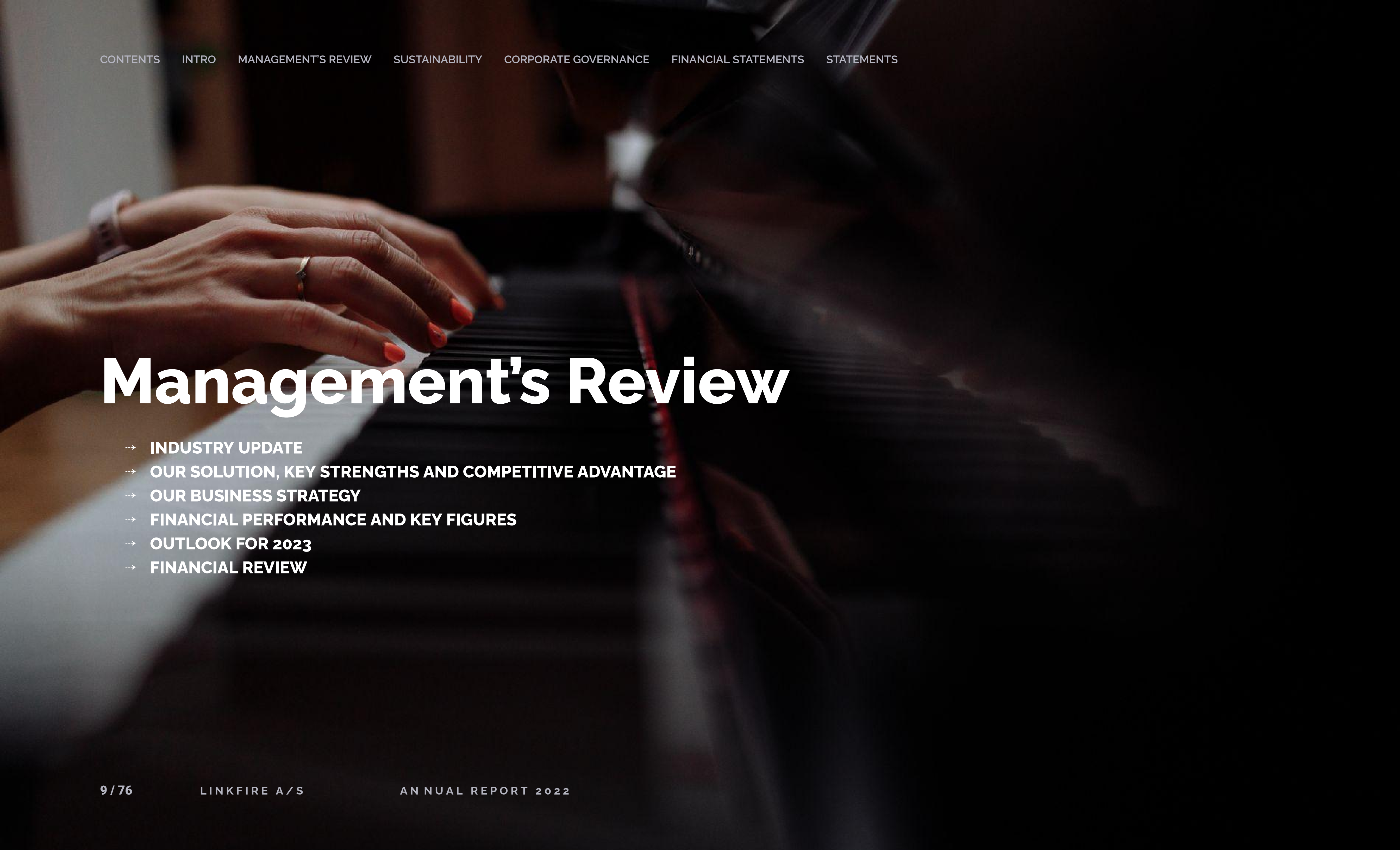
This results from significantly better general utilization of the total consumer connections, reflecting the narrowed commercial focus.

Subscription revenue continued stable growth while the company received great customer feedback and performance scores. Securely operating while innovating Linkfire's product offering to the music and entertainment industry is a dear mission to the company, and we are proud of our continued acknowledgement in the industry.

The company's focus on profitability impacted various business areas, streamlining the organization and gearing it towards driving value through rapid and sustainable growth.

This also meant the drawdown of unprofitable partner traffic agreements to ensure resources were placed in the least capital-intensive areas with a favorable return on investment perspective.

As the Chair of the Board of Directors at Linkfire, I look forward to supporting the company's continued development. Linkfire has established a solid foundation for its 2023 profitability goal.



Management's Review

Industry Update

Jeppe Faurfelt
CCO & Co-founder

Over the past few years, we have again seen major changes in how music is created, released, performed, and consumed. Covid has pushed all musicians and labels to move fast and reconsider their approach to making and marketing music, and some of those adjustments have stayed with us for the long run. Bandlab, a social music platform that enables creators to make music anytime and everywhere, is now the fourth largest investor in Linkfire.

As a result, I strongly believe wrapping your head around what is currently happening in the music industry is in itself incredibly important but especially since music tends to be years ahead of other types of media when it comes to its relationship to tech and new business models. You only need to look back 30-40 years, where formats expanded from vinyl to CDs to MP3 to new business models like streaming, which now holds a 64.1% share of all revenue in the recorded music market.

As new tech and innovations transform the digital landscape, new consumption behaviors evolve, and business opportunities arise to help more and more consumers discover music and entertainment in their preferred way. In addition to music, spoken word content is heavily on the rise, reaching very large audiences globally and creating new opportunities for marketing, advertising and selling products.

We have observed many new trends in the market during 2022. On the streaming side (based on our click-through traffic data), Spotify was the top DSP (Digital Service Provider) in all markets except for Africa, where Apple Music held the top position. The most significant change in these rankings was seen in YouTube Music, which surpassed its parent service in Africa and South America. YouTube Music is now comfortably among the top five most popular DSPs across all regions.

TikTok has been on the rise for a few years now and in 2022 audiences connected with music on TikTok in a much more engaged way contributing positively to our traffic growth and quality. In the pas we observed visitors clicking a lot of different links at a high volume but they wouldn't necessarily go and engage with the artist in the streaming services afterwards. This is the key change, and it's great to see an improved funnel with the traffic that we're seeing from TikTok.

Recently, TikTok received criticism for its data management policies and governmental affiliations. At Linkfire we are well aware of these concerns and are committed to ensuring that everything Linkfire processes is compliant and safe for consumers. As an enterprise serving company we follow strict privacy processes in accordance with current regulation and our business is not to sell data - all our offerings are strictly constructed with respect for consumer privacy. As a result, users can trust that when they interact with Linkfire, their personal information is being handled in a responsible and lawful manner.

Linkfire has a strong and unique market position, providing significant value for consumers, artists, labels, and other entertainment stakeholders as the market grows and becomes more complex. Our unparalleled partnerships and premium technology allow us to simplify entertainment discovery everywhere. We have developed leading digital marketing solutions for the music and entertainment industries, making it easy for consumers to discover music and entertainment while supporting traffic generation for digital music and entertainment content providers. To further support our mission and as a response to the evolution of smart links quickly becoming "the new website", in 2022, we launched an updated version of our Bio Link feature, so artists and labels can easily share all of their content across multiple platforms with a single link.

The thrill of discovering a new song for the first time has not changed but the path guiding consumers to their soon-to-be favorite content is evolving all the time and it's a matter of making the most of this vital moment and taking consumers on a journey to go deeper and discover more - like other songs, cool merch, amazing videos, live tour, digital shows etc.

In addition to the industry transformation, the market is increasingly fragmented and split across many different platforms and services. Consumers are inundated with options, making it overwhelming to navigate the fragmented market. Linkfire simplifies discovering and accessing music and entertainment by providing a one-stop shop for consumers. Our platform streamlines sharing content across multiple platforms and provides a seamless experience for consumers and content providers. As the entertainment market continues to evolve, Linkfire is well-positioned to provide value for all stakeholders and drive growth in the industry.

Our solution, key strengths and competitive advantage

Solution

We have built two products that globally provide seamless connections to music and entertainment. Our offering consists of the Marketing Platform and the Discovery Network.

The Linkfire Marketing Platform is a SaaS marketing tool allowing labels and artists, its customers, to create Smart Links for music products such as songs, albums, tickets and merchandise, which can be shared on websites and applications. The Smart Links route consumers to a landing page from which they can easily engage further with the content. Linkfire launched advanced Artist Bio-links to its offering in 2022 with the aim to collect all artist and creator promotions in one link.

Furthermore, the platform offers complex and exclusive data insights, helping Linkfire's customers to better understand their target audiences and consumer journeys.

The Discovery Network is the network of links generated from the Marketing Platform and through partnerships with publishers, apps and more, which generates consumer connections to the content.

Subscription revenue is generated from customers using the Linkfire Marketing Platform, while commission revenue is generated through the Discovery Network. Commission revenue is earned when a consumer signs up for or transacts at Digital

Service Providers, with whom Linkfire has an affiliate agreement through a Linkfire link, or by the placement of advertisements on the links in the Discovery Network.

Key strengths and competitive advantage

A leader and consolidator in a fast growing music and entertainment market
Linkfire's Smart Links are driving billions of consumer connections, more than any of its direct competitors. The recorded music industry is estimated to double in size by 2030. Linkfire is uniquely positioned to join the growth.

Strong partnership network
Linkfire has a unique partnership network, with partners including Apple Music, Amazon, Youtube, Deezer, Snapchat and Ticketmaster among many others. Partnerships are both monetary and data partnerships that in many cases are exclusive or custom to Linkfire which contributes to the unique offering Linkfire operates.

A large and broad customer base
Linkfire works with the largest music labels worldwide; its marketing platform encompasses over 85,000 users and is used by the vast majority of Billboard's Top 100 artists and their teams. The long tail customers also continue to grow.

A privacy-first service offering
Linkfire links and landing pages do not rely on cookies, which lowers the barriers to entering a commercial discussion with Linkfire, and future-proofs the business.

Our business strategy

Linkfire has a unique offering to penetrate the market, operates in a nascent, fast growing industry with multifaceted growth opportunities and has a solid foundation for future profitable growth. Our growth strategy is fuelled by growing subscription revenue and growing commission revenue profitably.

Growing subscription revenue
There are two main ways of growing subscription revenue: by adding new customers and by increasing existing contract values.

Expanding the customer base
We aim to grow our customer base both through inbound leads and through paid acquisition in line with historical performance. The Linkfire Marketing Platform currently has 85,000 users, which can be compared with the total number of artists on Bandlab's service of 60.0 million, outlining a large potential. In the coming years, the biggest potential is signing new customers..

Adding value to our customers
The way to remain relevant for the market and our customers is by ensuring that our platform is innovative, market-leading and compliant. We believe if we keep adding value to our customer's business, we are able to grow our own. We expect subscription contract renegotiations to account for a substantial part of our growth in the near term. With the launch of our bio link, customers get their own microsite in one smart link, and we continue to integrate deeper and broader into the entire product offering of our customers.

Expanding into adjacent verticals
Linkfire has been exploring opportunities to expand into adjacent verticals within the entertainment industry. With the launch of our bio link, creators now have the chance to create a microsite in one smart link, which we developed with the opportunity in the intersection of creative industries in mind.

Growing commission revenue
Commission revenue has two components: monetization and traffic. Thus, to improve it, the Company needs to influence either one or both of the components.

Increasing commission revenue per mille (RPM)
Improving Linkfire's key monetization metric, RPM, is very important for growing commission revenues. RPM can be improved by increasing the commission rates. Linkfire currently focuses on the following initiatives: i) signing new deals (e.g. affiliate payment on user leads from a Digital Service Provider), ii) improving deal terms and application, and iii) expanding its offering for monetization of the Discovery Network. Possibilities are many, and include increased commission rates, wider trigger points (e.g. moving from paid sign-up to lead), more trigger points (e.g. adding win-backs as a commissionable action) and expanded advertising offerings.

Improving algorithmic optimisation in the discovery layer
Linkfire is actively working to optimize the algorithm that successfully arranges Digital Service Providers in discovery layers and on Linkfire landing pages. This eventually increases relevance and conversion rates. The product development will also allow for increased placement options on the inventory, allowing for the maturation of Linkfire's advertising efforts.

Entering partnerships with new Traffic Partners
Linkfire continued expanding upon its roster of Traffic Partners in the first half of 2022. Traffic Partners has been a rather capital intensive initiative seen as a whole, especially since the economics of scale and return profiles scaled were less linear as we know it from the Marketing Platform. Linkfire has chosen to de-focus from this part of the business for the time being. There's still a clear application of Linkfire's technology and offering in the space, and we are ready to scale up when the time is right.

A scalable and flexible business model
Linkfire's business of providing a digital marketing platform and generating leads is highly scalable. In 2022 we focused on making our business sustainable with a determination to achieve short-term but sustainable profitability. As a digital product, the cost of adding one more user to the platform or redirecting one more consumer to a streaming service is minimal, while the acceleration in revenue by adding a new traffic monetization deal will not add further cost of hosting the traffic, thus contributing positively to margins.

Linkfire currently focuses mainly on the music industry, the service offering is flexible, and the company is exploring options to address adjacent verticals such as the spoken word industry (podcasts and audiobooks).

Linkfire's services are applicable to be tailored to suit the needs of these industries, which together make up a total addressable market of over USD 400 billion. This market size refers to the total music market, total film industry, US podcast market, gaming video content market and book market.

The business model is supported by an efficient and scalable technology platform, enabling rapid expansion of the customer base, extension of partnerships and flawless integration of the services with various applications.

Financial Targets

Linkfire has set the following mid-term financial targets:

20-40%
Revenue Growth

~ 80%
Gross Margin

Financial Performance and Key Figures

2.1B
Consumer Connections

30% growth *in consumer connections*

52.6M
Recognized Revenue (DKK)

56% increase *in recognized revenue*

75%
Gross Margin

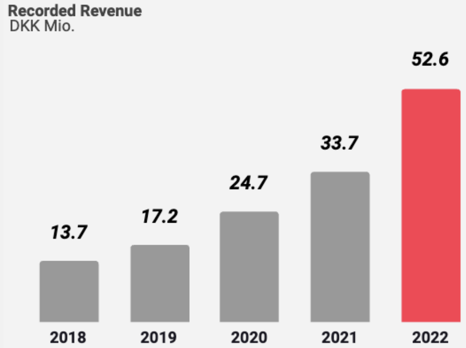
62% growth *in gross profit*

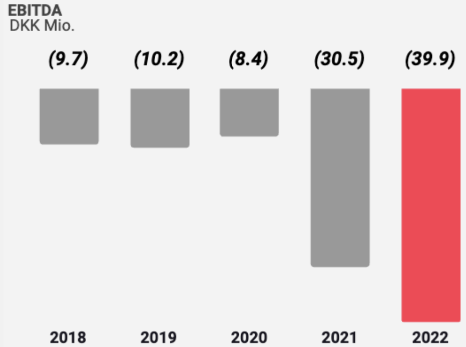
8.95
RPM (DKK)

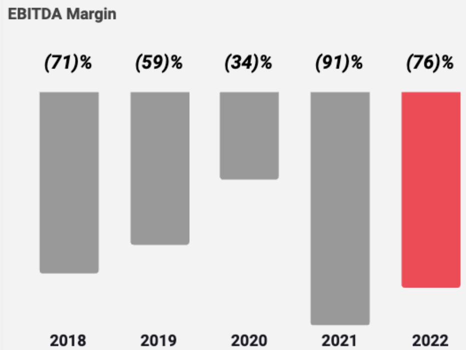
23% increase *in Commission Revenue Per Mille Consumer Connections*

Financial Performance and Key Metrics

	Note	2022	2021	2020	2019	Local GAAP not CCB 2018*
Income Statement (DKK thousand)						
Recognized Revenue		52,590	33,697	24,699	17,227	13,665
Operating loss before interest, taxes, depreciation & amortization (EBITDA)		(39,875)	(30,512)	(8,371)	(10,243)	(9,658)
Operating loss before interest & taxes (EBIT)		(74,289)	(39,425)	(14,193)	(12,993)	(10,065)
Operating loss before interest & taxes (EBIT) excl. IPO Cost		(74,289)	(32,558)	(14,193)	(12,993)	(10,065)
Result of financial items		(1,274)	(1,652)	(3,796)	(16,002)	(13,430)
Profit after tax		(70,087)	(35,578)	(9,371)	(11,850)	(9,952)
Balance Sheet (DKK thousand)						
Intangible assets		74,372	69,876	51,503	42,163	30,894
Additions, property, plant and equipment		263	634	173	41	92
Cash and cash equivalents		7,027	45,946	783	3,539	291
Total assets		101,349	140,200	63,786	60,408	39,551
Equity		43,962	87,125	4,909	10,026	(10,525)
Financial ratios						
Operating profit before interest, depreciation & amortizations (EBITDA) margin (%)		(76)%	(91)%	-34%	-59%	-71%
Operating profit margin (EBIT) (%)		(141)%	(117)%	-57%	-75%	-74%



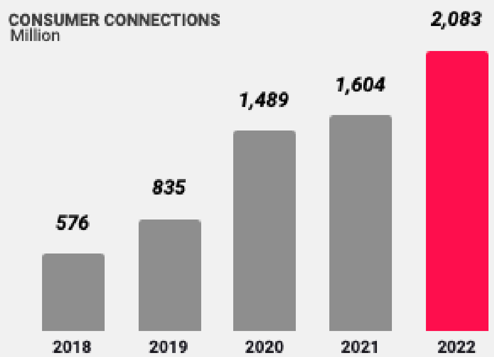


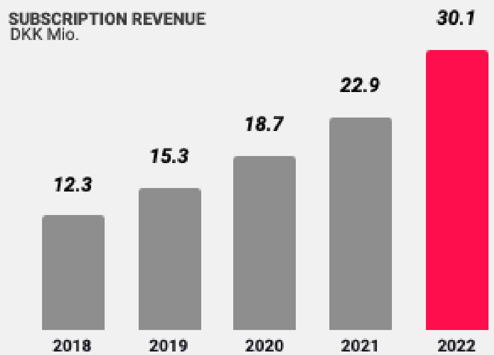


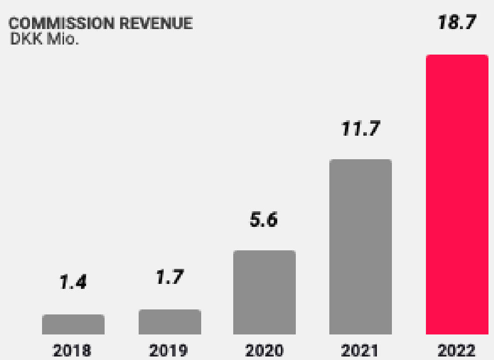
Financial Performance and Key Metrics (continued)

	Note	2022	2021	2020	2019	Local GAAP not CCB 2018*
Key Metrics						
Consumer connections (Traffic)		2,083,437,002	1,603,957,986	1,475,350,156	834,577,974	575,707,449
y/y Growth		*30%*	*9%*	*77%*	*45%*	*42%*
Revenue, on constant currency basis (DKK thousand)		48,778	34,521	24,348	17,003	13,665
Revenue Growth		*41%*	*42%*	*43%*	*24%*	*25%*
Organic Revenue Growth		*41%*	*42%*	*43%*	*24%*	*25%*
Subscription Revenue, on constant currency basis (DKK thousand)		30,122	22,853	18,745	15,268	12,254
y/y Growth		*32%*	*22%*	*23%*	*25%*	*17%*
Commission Revenue, on constant currency basis (DKK thousand)		18,656	11,667	5,603	1,736	1,411
y/y Growth		*60%*	*108%*	*223%*	*23%*	*207%*
Commission Revenue per Mille (RPM)*, on constant currency basis (DKK)		8.95	7.27	3.80	2.08	2.45
y/y Growth		*23%*	*92%*	*83%*	*-15%*	*116%*
Gross Margin, on constant currency basis		74%	72%	76%	61%	81%

* Commission Revenue per thousand consumer connections







Outlook for 2023

"To reach EBITDA breakeven based on the projected cost base for 2023, Linkfire's revenue needs to grow by 22%, while the compounded annual growth rate between 2018-2022 was 40%."

Revenue guidance
In 2023, Linkfire expects continued revenue growth and guides revenue within the range between DKK 60-70 million for the full financial year. This corresponds to a yearly growth of 14-33%.

In order to achieve our guidance, performance on the following key drivers is required:

- Continued strong RPM performance
- Sustained traffic levels on a year-on-year basis
- Continued inflow of new platform users, free and paid
- Continued ability to retain and expand existing subscription contracts
- Continued product innovation and development

We maintain our mid-term financial target of 20-40% organic revenue growth.

EBITDA guidance
Linkfire expects to achieve EBITDA breakeven for the year and guides EBITDA within the range between negative (DKK 5 million) to positive DKK 5 million for the full financial year. Linkfire is committed to reaching breakeven, while the guidance on both sides of neutral EBITDA takes into account the inherited uncertainty of balancing around the breakeven point.

Continued investments into innovation and development of our offering are expected throughout the year, and are the basis for expecting continued growth in the coming years. Possible deviations from the guided ranges depend on investments into new strategic opportunities supporting our announced growth and long-term growth and profitability strategy.

Strategy execution
During 2022, the company has taken several initiatives to eliminate risk in the breakeven plan. We have narrowed our operating focus to short-term return initiatives and the least capital intensive deployment of cash. In 2023, Linkfire expects to utilize the lighter operating setup to perform EBITDA breakeven for the year.

To reach EBITDA breakeven based on the projected cost base for 2023, Linkfire's revenue needs to grow by 22%, while the compounded annual growth rate between 2018-2022 was 40%. We expect recurring subscription revenue to deliver growth in line with previous years, while we expect commission revenue to continue delivering the majority of growth. By focusing on utilization of our core profit driver, the Marketing Platform and the part of the Discovery Network deriving directly from it, we are well positioned to deliver on our guidance.

Forward-looking statements
Statements about the future expressed in the annual report reflect Linkfire's current expectations for future events and financial results. The nature of these statements is affected by risk and uncertainties. Therefore, the company's actual results may differ from the expectations expressed in the management commentary

Financial Review

Revenue

Revenue increased by DKK 18,893 thousand, or 56 per cent, from DKK 33,697 thousand in 2021 to DKK 52,590 thousand in 2022. The fastest growing revenue line, Commissions, increased by DKK 8,872 thousand, or 76 per cent, compared to 2021, while Subscription revenue increased by DKK 10,020 thousand, or 45 per cent. This is on pace with the growth seen in all other areas of the business, as we have scaled to be a significantly larger organization across the board in 2022 as compared to 2021.

Costs

Cost of sales increased by DKK 3,706 thousand, or 40 per cent, from DKK 9,320 thousand in 2021 to DKK 13,026 thousand in 2022. The increase is centered around server and hosting costs, improved baseline and scalability as well as ensuring compliant and premium service delivery.

In 2022, external expenses increased by DKK 12,062 thousand, or 72 per cent, from DKK 16,853 thousand in the comparable period in 2021 to DKK 28,915 thousand. The increase is mainly due to the investment in the Channel Partners program and acquisition of new software tools to follow the growth of the organization especially in the first half of 2022.
Other external expenses amounted to DKK 6,867 thousand in 2021 but were eliminated in 2022 since they comprised the costs related to the IPO.

Staff costs increased by DKK 15,538 thousand, or 50 per cent, from DKK 31,170 thousand in 2021 to DKK 46,708 thousand in 2022. As a percentage of revenue, staff costs decreased from 91 per cent to 89 per cent. Again, this pertains not to an increase in the cost of the individual employee but to the growth of the organization from the year 2021 to 2022, reaching +100 FTEs, and with contractions in that area taking effect towards the beginning of 2023, we expect to see this figure regress closer to that from 2021. Other staff costs amounted to DKK 3,817 thousand in 2022 and comprise severance agreements costs related to the mentioned contractions in FTEs.

Earnings

Depreciation, amortization and impairment increased by DKK 25,502 thousand, or 286 per cent, from DKK 8,913 thousand in 2021 to DKK 34,414 thousand in 2022. The significant increase is mainly related to the impairment loss recognised for the intangible assets and described in note 13 of the consolidated financial statements.

EBIT increased by DKK 34,865 thousand, or 88 per cent, from negative DKK 39,425 thousand in 2021 to negative DKK 74,290 thousand in 2022. This is an increase in relation to revenue from (117) percent in 2021 to (141) per cent in 2022.

Net financial items

Financial income decreased by 2,049 DKK thousand, or 66 per cent, from DKK 3,091 thousand in 2021 to DKK 1,042 thousand in 2022. The main deviation is related to other financial income which in 2021 amounted to DKK 1,557 thousand and DKK 0 thousand in 2022. The amount in 2021 derived from the Group receiving forgiveness on a US covid-related government loan.

Financial expenses decreased by DKK 2,427 thousand, or 51 per cent, from DKK 4,743 thousand in 2021 to DKK 2,316 thousand in 2022, mainly due to lower interest expenses after bringing down the total interest-bearing loans as well as improved loan terms.

Income tax

The tax for the year decreased by DKK 23 thousand, or 1 per cent, from DKK 5,500 thousand in 2021 to DKK 5,477 thousand in 2022. Income tax benefits related to tax credits for research and development expenses at the applicable tax rate under the Danish Corporate Income Tax Act.

Net Profit/(loss)

Loss for the period decreased by DKK 34,510 thousand, or 97 per cent, from DKK 35,577 thousand in 2021 to DKK 70,087 thousand during 2022. This represents a decrease in relation to revenue from (106) per cent in 2021 to (133) per cent in 2022. This is reflective of the fact that in 2022, Linkfire was an organization with strong growth, significantly scaling costs to invest in future returns. Actions and cost cutting measures initiated during 2022 will not take full effect until 2023, by which time we also expect to see improved returns on agreements signed during the year 2022, moving us in the direction of an operational break-even in 2023.

Cash flow and financing

Cash flow from operations for 2022 was DKK (24,632 thousand) (2021: DKK 35,487 thousand). Investment activities reduced cash flows by DKK 26,509 thousand in 2022 (2021: DKK 26,233 thousand). Cash flow from financing activities for 2022 was DKK 12,356 thousand (2021: DKK 105,890 thousand).

Parent company

Linkfire A/S, Denmark, is the parent company of the Group, which consists of two further subsidiaries in the US and Portugal. The development of revenue and costs in parent company activities is in all material aspects covered in the financial review of the Group figures and follows the Group explanations.

Financial Review

Uncertainties of recognition and measurement

At each reporting date, it is required to assess whether there is any indication that an asset may be impaired. The current uncertainties in the market and the share price from the last capital increase, among others, indicate that an impairment assessment needs to be performed, with main focus on the carrying amount of the intangible assets.

Development projects have a net value of DKK 74.4M (2021: DKK 61.6 million) in the annual report. Development projects are measured at cost price reduced with amortization and write-downs. The measurement of development projects is dependable on future earnings, which there is a natural uncertainty related to.

Going concern

During 2022, Linkfire concluded the process of securing the necessary financing to continue its operations. The equity financing of DKK 45M is divided into two equal tranches, whereof the first tranche was settled in Q4-2022, while the second tranche will settle latest in April 2023. The second tranche is committed by the largest new shareholder participating in the first tranche, Maverick Capital Limited ("Maverick"), at the same price per share of SEK 0.60. Linkfire has the option to waive the commitment if, and to the extent that Linkfire is able to obtain equity financing in the amount of DKK 22.5M or more at more favorable terms elsewhere.

Linkfire is continuing its path towards profitability and with a strong improvement in earnings in Q4-2022 as well as a structurally lighter cost base, the company's management remains confident in its plan to reach EBITDA profitability for the full year of 2023. In its restructured form, the company's management is confident in the presence of sufficient operating flexibility to mitigate the expectation of difficult operating conditions.

The above-mentioned financing, including the second tranche investment and the company breaks-even on EBITDA in 2023, is sufficient to sustain investments into innovation as well as servicing loan obligations. Current budgets and plans are still considered achievable at the signing date. Linkfire is continuously optimizing its capital preparedness and options as complementary to secured equity financing.

Management has on this background decided to prepare the financial statements on a going concern basis.

Subsequent Events

On February 23, 2023, the Board of Directors of Linkfire A/S decided to issue warrants to the executive management, the senior leadership team, key employees and contracted staff within the authorization granted by the annual general meeting on 27 April 2022. The purpose of the warrant program is to create possibilities for the company to retain and incentivize certain key employees by offering a long-term ownership engagement. In total, the grants cover 2,676,000 warrants of which 936,000 warrants have been granted to the executive management and senior leadership, and the remaining 1,740,000 warrants have been granted to key employees and contracted staff.

There have not been any other subsequent events after the reporting period which could influence the evaluation of the financial statements.

Sustainability

At Linkfire, we believe that progressive companies operate in the interest of all their stakeholders and have an increasingly important role to play in society. We believe that operating responsibly enables us to add value to society and the communities in which we operate.

Stakeholder engagement

Linkfire's ambition is to develop and formalize its stakeholder engagement during 2023. The aim of this formalization is to ensure that Linkfire has a good understanding of the expectations of parties that have an interest in the company, and that can either affect or be affected by its business operations.

Materiality analysis and sustainability strategy

The UN Global Compact (UNGC) will constitute the overall framework for our forthcoming sustainability strategy and related reporting. The UN's Sustainable Development Goals (UN SDGs) are aimed at eradicating extreme poverty, reducing inequalities and injustices in the world, promoting peace and justice, and addressing the climate crisis.
Linkfire will extend the conduction of its materiality analysis during 2023 as the basis of its sustainability strategy. The analysis considers all UN SDGs and the sustainability strategy will then focus on those SDGs that are the most relevant for Linkfire's business and the company's ability to create real, measurable impact.

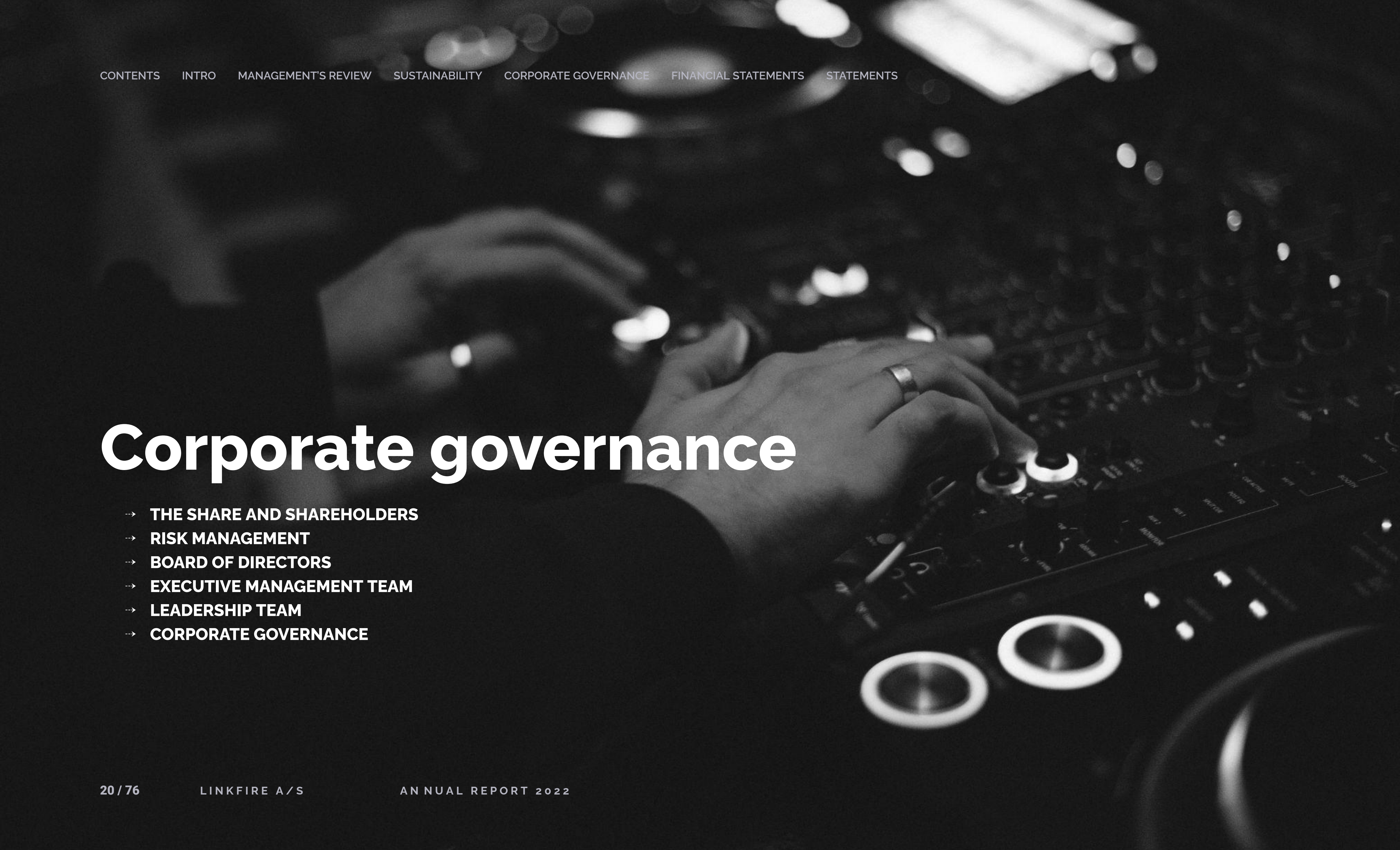
The materiality analysis is done in order to identify those environmental, social, and governmental topics that are relevant for and have a high impact on Linkfire's business and that are relevant for our internal and external stakeholders.

Our People

We have our roots and heart in music, and there's no template for the perfect piece of music or a Linkfire employee. In fact, we see differences as an advantage. We work in flat hierarchies, with a culture that values voicing your opinion and owning your field of expertise. We hire the most talented people out there and embrace the diverse way of thinking, backgrounds and experiences they bring. We have a total of 67 employees identifying as 69% male, 30% female, and 1% Non-binary. The share of female employees is slightly higher than industry average. We represent 25 different nationalities.

We collaborate across projects and time zones because we believe that smart ideas get smarter when we're together. And as we continue to grow, we're dedicated to keeping the same entrepreneurial approach we've had since day one.

Linkfire is dedicated to provide an enjoyable, respectful and safe work environment for everyone, both in the office environment as well as in remote and online collaborations. Linkfire expects partners and suppliers to commit to the same ethical standard and comply with all requirements set forth in the company's Code of Conduct.



Corporate governance

The share and shareholders

Linkfire was listed on June 28, 2021, and is traded on the Nasdaq First North Premier Growth Market. Linkfire's trading code is LINKFI.

The number of shares outstanding on December 31, 2022, was 114,989,051. Each share entitles the holder to one vote, which means that all shares hold equal voting rights and equal rights to the company's earnings and capital.

The closing price for the share on the last trading day of the year, December 30, 2022, was 1.17 SEK, corresponding to a market capitalization of approximately SEK 134.1 million.

SHARE PRICE 2022

SEK

About Nasdaq First North Premier Growth Market

Nasdaq First North Growth Market is a registered SME growth market. Issuers on Nasdaq First North Growth Market are not subject to all the same rules as issuers on a regulated market, as defined in EU legislation (as implemented in national law). Instead, they are subject to a less extensive set of rules and regulations adjusted to small growth companies. All issuers with shares admitted to trading on Nasdaq First North Growth Market have a Certified Adviser who monitors that the rules are followed. Linkfire's Certified Adviser is Aktieinvest FK AB, www.aktieinvest.se.

Our share

Trading code (ticker)	**LINKFI**
Market	**Nasdaq First North Premier Growth Market, Sweden**
ISIN	**DK0061550811**
First day of trading	**January 3, 2022**
Trading currency	**SEK**
Opening Price on first day of trading (Jan 3)	**7.2000 SEK**
Closing price on last day of trading (Dec, 30)	**1.1660 SEK**
Share price development in 2022	**-83.8%**
Market capitalization on last day of trading (Dec, 30)	**134.1 mSEK**

Individuals with an insider position

As a listed company Linkfire maintains a logbook on individuals with insider positions in order to ensure compliance with the rules and legislation on insider trading. In May 2021, the Board of Directors adopted an insider policy and an instruction for insider lists.

Annual General Meeting

The Annual General Meeting for the financial year 2022 will take place on April 26, 2023. For further information, please visit the Investor website on www.linkfire.com.

Financial calendar

May 25, 2023	**Interim financial report Q1, 2023**
August 24, 2023	**Interim financial report Q2, 2023**
November 23, 2023	**Interim financial report Q3, 2023**
February 22, 2024	**Interim financial report Q4, 2023**

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Investor relations

The information provided by Linkfire to its shareholders and the capital market is intended to provide a fair picture of the company's performance, minimize the risk of unfounded rumor and speculation and increase interest in the company's share. The ambition is to provide continuous, relevant, and clear information.
If you need more information about Linkfire as an investment, you can contact us via the email investors@linkfire.com.

Share Price at 31 December 2022

1.1660 SEK

Trading code (ticker)

LINKFI

Annual General Meeting 2023

April 26

Read more about Linkfire at:

→ https://www.linkfire.com
→ https://investors.linkfire.com

Risk Management

Uncertainties about future events can potentially have a negative impact in any business operations, and it is important to carefully analyze such risk factors that might affect the future development of the Linkfire share.

Linkfire is on an ongoing basis assessing and evaluating the potential risk factors. Critical risks in the business environment are strategically managed and operationally handled in the daily processes.The significant risk factors are described below.

Industry
Linkfire is a technology company providing marketing and promotional services for artists and record labels. The music and entertainment industries are young industries characterized by innovation and rapid technological development, evolving industry standards and practices as well as changing customer and consumer needs and preferences. In order to remain successful and execute its growth strategy, Linkfire must continuously effectively adapt to, respond to, and also anticipate such changes, and develop its technology and service offering on a timely and cost-effective basis.

Commission revenue
Linkfire is striving to let commissions be a growing part of the business and if Linkfire does not succeed in retaining and building new affiliate partnerships with Digital Service Providers (such as Spotify, YouTube, Apple Music, Amazon and Ticketmaster) that ambition may fail. However, it is Linkfire's opinion that the market for monetization of music related internet traffic is growing.

Data Partnerships

A key part of Linkfire's strategy is to integrate the Linkfire marketing platform with third-party application providers and Social Media Platforms. The integration provides Linkfire with valuable data and insights on consumer patterns on digital service platforms to be shared with Linkfire's subscription customers. Any changes or restrictions on the APIs (application programming interfaces) may limit the functionality and accessibility of Linkfire's services, but Linkfire evaluates the risk of this materializing as low.

Subscription revenues
The core of the Linkfire business is the subscriptions to Linkfire's link generator and a major part of its subscription revenues are generated from contracts with major music labels, such as Universal Music Group, Sony Music Entertainment and Warner Music Group. Some of these major agreements are up for re-negotiation in 2023.

Management and key employees
Linkfire is highly dependent on our management team and employees, with people being our biggest asset. It is crucial to Linkfire to be able to attract, retain, develop and motivate diverse and thriving management and staff to ensure the right competencies and skills to succeed as a business.

Competition
The industry in which the Company operates is rapidly evolving and highly competitive, with relatively low barriers to entry.

The Company mainly faces competition from one other marketing platform, Feature.fm, targeting music labels and artists, as well as a long tail of small, local market players. Thereto, there are providers of Smart Links that operate both in the Smart Linking Market for music as well as the general Smart Linking market, such as Linktree and Bit.ly.

The Company may in the future also face competition from other SaaS companies or players within the online marketing industry that decides to innovate or invest in similar, or superior, services and technologies that may compete with the Company's platform and services, for example by delivering solutions at lower prices, more conveniently or more securely.

Technical errors and disruptions to the Company's IT infrastructure

The Company is dependent on maintaining a secure and well-functioning IT environment for all aspects of its operations. There is a risk that the Company's IT environment, as well as its partners' IT environment, is affected by problems with software, hardware, computer viruses, improper or negligent operation of the Company's IT systems by the Company's employees or contractors, attacks or physical damages as well as other unforeseen events. Such failures and interruptions can lead to delays, increased costs and could negatively impact the very basis of Company's digital operations.

Privacy regulation

Linkfire maintains a high focus on privacy compliance as well as other regulatory issues. As the emphasis on privacy security is an increasing success factor, Linkfire will maintain this focus in order to stay both compliant and an attractive provider of services and partner.

Risks related to taxation

The company is subject to a number of tax regulations in Denmark and in other jurisdictions, which involves for example corporate income tax including the Danish tax credit regime for R&D activities, VAT, social security taxes and transfer pricing regulations. The tax considerations made by the company are based on interpretations of current tax laws, tax treaties and other tax regulations and the requirements of the relevant tax authorities.

Risks related to foreign currency exposure, credit and interest rate

Risk related to foreign currency exposure, credit and interest rate are described in note 22 of the financial statements. Please be referred to this section of the annual report for a full review.

Financial risks

The company may not show profitability when expected and may experience uneven cash flows impacting cash position.

The company has historically incurred significant costs for the development of its current operations and expects that such costs will continue to incur in the future to a certain extent. Following a significant reduction and continued expectation of firm cost control, the company may risk costs varying above the expected levels despite its intention to manage cost reductions. There is a risk that the company will not earn sufficient revenues or reach and maintain profitability to conduct its operations in accordance with set goals and strategies, which could impair the Company's ability to sustain operations or to obtain any required additional funding.

In addition, the company may experience uneven cash flows, including due to seasonality in user traffic, for example, due to the occurrence of big music releases or shows. Moreover, upfront payments from contracts with major labels, which make up for a large part of the company's revenues, normally occur three times per year, which also contributes to uneven cash flows.

Risks related to future financing needs

As part of its business strategy, the company wants to increase its subscription user base and expand its market position further through scaling and expanding its operations organically. The company is also exploring opportunities of expanding into new geographical markets as well as into adjacent verticals within the entertainment industries. In light of the above-mentioned growth plans, the company believes it is not unlikely that it may have to turn to the capital market to finance its business further in the future. If additional financing cannot be raised when needed, if financing cannot be raised on terms favorable to the company, or if such financing should prove insufficient to fund the company's future operations, this could have a material adverse effect on the company's ability to conduct business operations as planned, pursue its sustainable growth strategy and ultimately its financial position.

Board of Directors

	Jesper Møller Chairman of the board (since 2021)	**Thomas Weilby** Board member (since 2020)	**Charlotte Klinge** Board member (since 2021)
Professional background	Seasoned Danish CEO level executive with a current focus on non-executive board positions and advisory roles in Northern Europe. Key experiences from food and service industries. The latest operational experience was 9 years as CEO of a confectionery manufacturer with full value chain responsibility. Previous job experiences from Coca-Cola, Carlsberg, ISS, Nestlé, Q8, BP and more. Solid experience with strategy processes, product development/innovation, category management, concept development, financial reporting, governance, CSR, Sports Management.	Thomas Weilby has more than 10 years of experience as the General Partner of Northcap Partners, an investment company focusing on ICT start-ups in Northern Europe. Weilby has worked with venture capital (VC) for more than a decade and has gained extensive experience in establishing new businesses across Europe and has specialized in maturing businesses for the US market. Weilby has a special interest in cloud computing and SaaS businesses and has held several senior management positions in IT and Internet-based companies. In addition to this, Weilby is active on several boards of portfolio companies, as well as ad hoc projects on other companies.	Charlotte Klinge has +20 years of experience within organizational development and HR from both global companies and start-up enterprises . Klinge served for 14 years in Novo Nordisk A/S firstly as an expert in handling authorities and the last 6 years as Global Director in Corporate HR at Novo Nordisk A/S. Later Klinge operated in DBI Plastics as CPO for 4 years. Klinge has extensive c-level experience including in depth expertise within sustainability from several enterprises. Furthermore, as a daily advisor to several companies, Klinge has a strong focus on how to swiftly generate organizational structures that create motivation, trust and well-being along with effectiveness in flexible governance structures. She has extensive board experience and acts as a private investor and advisor.
Education	Master's degree in Administration and Management at Copenhagen Business School, Denmark.	M.Sc. in Business and Economics from Aarhus University.	Master of Science, Copenhagen University.
Other ongoing assignments	Chairman of the board of Konsolidator A/S andThornæs Destiller A/Si.. Board member at KFI Erhvervsdrivende Fond. Chairman at Entrepreneurship Denmark. Board Member at Ungdomsbureauet. Chairman at The Great Belt Committee.	Chairman of the board of directors of 22. Maj APS and Insurance Business Applications ApS. Board member of Visiopharm A/S. Member of the management in IVS II GP ApS, Lekamo ApS, Lekamo Holding ApS, NCP-IVS III GP ApS and Northcap Partners ApS. CEO of IVA A/S.	Consultancy in leadership training, HSE, sustainability and organizational development in Novo Nordisk A/S, ASA-LIFT, Fehmarn A/S o.a.
Previous positions	Deputy Chairman of Indutriens Fond and Brøndbyernes IF Fodbold A/S. Chairman at Mangaard & Partners. Advisory Board member at Lakrids by Johan Bülow. Director of Executive Services at AS3 Executive. CEO at Toms Gruppen A/S.	Chairman of the Board of Directors of Comparo A/S, Falcon.io ApS Kolibri Technology A/S and Komfo ApS. Board member of 22. Maj ApS, GAN Integrity Solutions Holding ApS, Insurance Business Applications ApS and Intelepeer. Member of the management in Anpartsselskabet AF 21. Juli 2005.	Board Member of Cope IT, Board Member at Klinge Trading Aps. CPO as DBI Plastics, Global Director at Novo Nordisk A/S.
Position of dependency	Independent in relation to the company and the management and in relation to Major Shareholders.	Independent in relation to the company and the management, but not independent in relation to Major Shareholders.	Independent in relation to the company and the management and in relation to Major Shareholders.
Shareholding	142,304 shares and 368,540 warrants.	N/A	121,400 shares and 184,270 warrants.

Board of Directors (continued)

	Ole Larsen Board member (since 2022)	**Petra von Rohr** Board member (since 2022)
Professional background	Experienced CFO and finance professional with a demonstrated history of working in various industries in both listed and unlisted companies. Skilled in restructuring, turn-arounds, growth/start-ups, Mergers & Acquisitions and Corporate Finance.	More than 20 years of leadership experience being part of the executive management team of a listed large cap company as well as CEO in smaller companies within Finance, Medtech and Communications. Extensive experience being a board member of listed as well as unlisted companies. Background as an equity analyst in London and Stockholm.
Education	Master of Science, Copenhagen Business School	Master of Science, Stockholm School of Economics
Other ongoing assignments	2018 - Chairman of the Board at Rikke Gravengaard – Copenhagen A/S 2022 - Founder & CEO at nuso ApS 2023 - CFO at CathVision ApS 2023 - CFO at FluoGuide A/S 2023 - Member of the Board of Directors at Pharma Equity Group	2019- Webrock, Board member 2018- Better Collective, Board member
Previous positions	2018 – 2021 Member of the Board of Directors in various subsidiaries in the BioPorto Group; 2011 – 2018 CEO and Member of the Board of Directors in various subsidiaries in the Bavarian Nordic Group; 2005 – 2008 Member of the Board of Directors at Søndagsavisen A/S (now North Media); 2002 – 2008 Chairman and member of various Boards of Directors in the Nordisk Film Group; 2001 – 2004 Chairman and Member of various Boards of Directors in the Berlingske Group; 1996 – 1997 Member of the Board of Directors in Bloch & Behrens ApS	2016 – 2017 Lauritz.com, Board member 2015 – 2017 Novare Human Capital AB – Board member 2009-2015 Takkei Training Systems AB, Board member 2007-2009 Wildeco Ekonomisk Information AB, Chairman of the board.
Position of dependency	Independent in relation to the Company and the management and in relation to Major Shareholders.	Independent in relation to the Company and the management and in relation to Major Shareholders.
Shareholding	0 shares and 184,270 warrants.	0 shares and 184,270 warrants.

Executive Management Team

	Lars Ettrup Co-founder & CEO (since 2014)	**Tobias Demuth** CFO (since 2017)
Professional background	Lars Ettrup has extensive experience within the technology business sector, from having served as CTO at Nodes (Digital Agency), as well as from having founded and exited Social Media Agency and Look Curious ApS in 2015.	Tobias Demuth is a finance professional with 12 years of experience with the last 6+ years in financial management positions in global companies. Demuth started his financial career at Deloitte as a Financial Auditor which he held for more than 5 years.
Education	M.Sc. in eBusiness from the IT-University in Copenhagen, Bachelor's Degree in Film & Digital Media from Middlesex University.	Bachelor in Business Administration from University of Aarhus.
Other ongoing assignments	Member of the management in Ettrup Invest ApS and Rocket Group ApS.	-
Shareholding	9,777,400 shares and 168,000 warrants.	392,764 shares and 168,000 warrants.

Leadership team

	Jeppe Faurfelt Co-founder & CCO (since 2014)	**Andrea Arcari** CBDO (since 2017)	**Jannik Jepsen** CTO (since 2016)	**Tina Finsen**
Professional background	As co-founder and CCO of Linkfire, Jeppe Faurfelt has gained a vast experience within commercial strategy, operations, and developing the client-facing organization to drive overall business growth. Before joining Linkfire, Faurfelt served as a project manager for the MeWe Group, a full-service ad agency specializing in business development, branding, and unique digital solutions. In addition, Faurfelt worked as a marketing project manager for Downtown.dk, where focusing on brand management and website tracking.	Andrea Arcari is a professional musician who recently turned entrepreneur. Arcari has a background in partnerships and operations, and has an experience from free-launching as Process and Operations Consultant founding several companies and working as Artist and Band Manager.	Jannik Jepsen has a M.Sc. in Interaction Design, and extensive experience from various projects on consumer connectivity within in-car infotainment systems in collaboration with brands such as Volvo and Continental. Jepsen has had various student jobs related to Web and graphical design for eCommerce and marketing purposes, and has more than 5 years of experience of managing and developing Linkfire's infrastructure, technology and product.	Tina Ndlovu Finsen is an experienced People and Culture professional who joined Linkfire in 2022. Ndlovu Finsen is well versed in all people-related aspects of business and has spent most of her career working actively in leading positions in the interface between organizational strategy, performance and succession management and employee development.
Education	B.Sc. in Social Science and Business Studies from Roskilde Universitetscenter.	Bachelor's Degree in Foreign Language and Literature.	M.Sc. in Interaction from Aalborg University.	MSc in Human Resource Management from Copenhagen Business School.
Other ongoing assignments	-	-	Director of JJepsen Holding ApS.	
Shareholding	3,728,198 shares and 150,000 warrants.	906,787 shares and 150,000 warrants.	503,923 shares and 150,000 warrants.	150,000 warrants.

Corporate governance

Linkfire is a Danish public limited liability company (aktieselskab) governed by the Danish Companies Act, other applicable laws and regulations, the company's articles of association, and internal policy documents.

As a listed company on First North Premier Growth Market, Linkfire's corporate governance is also governed by the Nasdaq First North Growth Market rulebook and the Swedish Corporate Governance Code. The main corporate laws and rules on governance in a Danish public limited liability company listed on First North Premier are, to a large extent, materially similar to the corresponding Swedish rules.

General meeting

Pursuant to the Danish Companies Act, the shareholders' right to pass resolutions is exercised at the general meeting of the company, and the general meeting is Linkfire's superior decision-making body. The general meeting may resolve upon every issue which does not specifically fall within the scope of the exclusive powers of another corporate body, such as the Board of Directors or the executive management.

The date of the Annual General Meeting 2023 was announced in connection with the publication of the Nomination Committee in December 2022. The deadline for submission of requests for specific business to be included in the agenda was announced on the corporate website on December 21, 2022.

Nomination Committee

According to the Code, Linkfire shall have a nomination committee, the duties of which shall include the preparation and drafting of proposals regarding the election of members of the Board of Directors, the chair of the Board of Directors, the Chair of the general meeting and auditors. In addition, the nomination committee shall propose fees for the board members and the auditor.

The nomination committee for the 2023 AGM consists of:

Thomas Weilby Knudsen (chair)
(appointed by Northcap Partners);
Jesper Møller;
Lars Ettrup (appointed by Rocket Group ApS);
Peter Balint (appointed by Barreson Limited).

As some of the major shareholders in Linkfire refrained from appointing members to the Nomination Committee, Lars Ettrup was appointed as next in line from the top of the shareholder register. As a consequence the Code's recommendation on the majority of the Nomination Committee is independent of the company and its executive management and the recommendation on the committee not being chaired by a Board Member has not been met. The process of appointment of members of the Nomination Committee resulted in information on member names not being available on the company website in a timely fashion as recommended in the Code.

Board of Directors

The members of the Board of Directors are elected at the annual general meeting for the period until the end of the next annual general meeting. According to Linkfire's Articles of Association, the Board of Directors shall consist of between three and five members and currently, the Board of Directors is composed of four ordinary board members elected at the general meeting. In 2022 12 meetings were held by the Board of Directors with the attendance of all Directors.
The Board of Directors will conduct a formal self-assessment and assessment of the executive management during the financial year 2023.

Independence

The majority of the members of the Board of Directors of a Danish public limited company must not be executive officers of the company and an executive officer may not chair or vice chair the Board of Directors.

According to the Code, the majority of the board members elected by the general meeting shall be independent of Linkfire and its management. According to the Code, at least two of the board members who are independent in relation to Linkfire and its management shall also be independent in relation to major shareholders (who directly or indirectly control ten per cent or more of all shares and voting rights).

The Board of Directors perceives the requirement for independence to be accommodated.

Board committees
The Board of Directors has established two committees: the audit committee and the remuneration committee. The Board of Directors has adopted rules of procedure for both committees.

Audit committee
The audit committee is comprised of Ole Larsen (Chair), Thomas Weilby Knudsen and Jesper Møller. The audit committee's role is mainly to monitor the financial position, to monitor the effectiveness of Linkfire's internal control, internal audit and risk management, to be informed about the audit of the annual report and the consolidated financial statements, to review and monitor the auditor's impartiality and independence and to monitor Linkfire's compliance with law and regulations related to financial matters. The Audit committee held 4 meetings in 2022 with the attendance of all members.

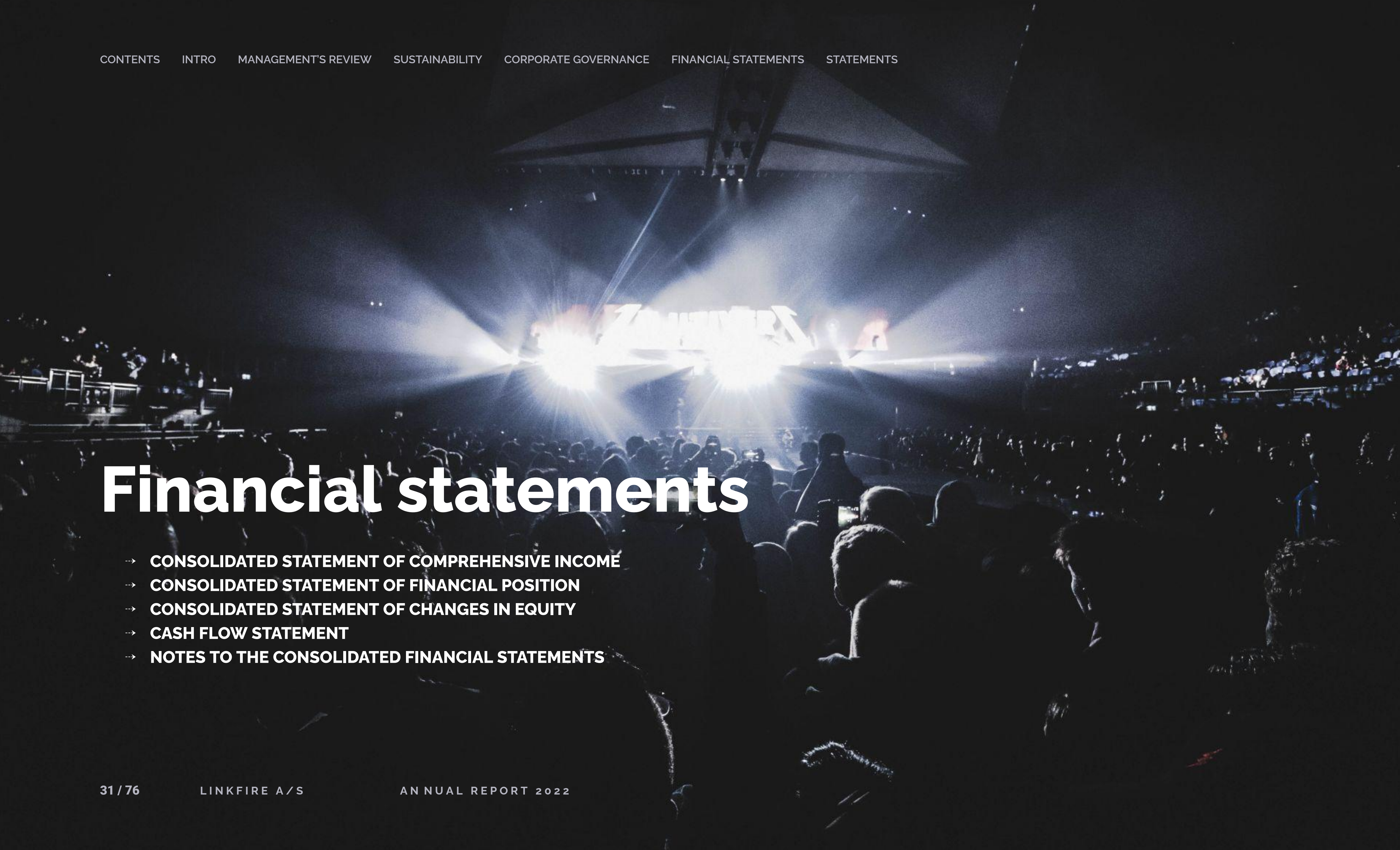
Remuneration committee
The remuneration committee is comprised of Jesper Møller (Chair), Petra von Rohr, and Charlotte Klinge. The remuneration committee's role is primarily to prepare matters regarding remuneration and other terms of employment for the executive management and other key employees. The remuneration committee shall also monitor and evaluate ongoing and completed programs for variable remuneration to the executive management and monitor and evaluate the implementation of the guidelines for remuneration to the executive management which the annual general meeting has adopted. The remuneration committee has held 1 meeting in 2022 with the attendance of all members.

Remuneration
Remuneration to Board of Directors
Fees and other remuneration to board members elected by the general meeting are resolved by the general meeting. At the annual general meeting on 27 April 2022 it was resolved that the chairman of the Board of Directors will be entitled to receive an annual remuneration of DKK 250,000, and that the other members of the board will be entitled to receive an annual remuneration of DKK 125,000. It was furthermore resolved that participation in the remuneration committee and audit committee will entitle the chairman of such committees to receive DKK 50,000 per year and other members of such committees to receive DKK 25,000 per year.

Remuneration to Management
Remuneration to management consists of base salary, pension, share-based remuneration and benefits in kind. For the 2022 financial year, the total remuneration paid to Linkfire's leadership amounted to DKK 9,384 thousand and included base salary and benefits in kind and pension contributions. Members of Linkfire's leadership will participate in the company's warrant-based incentive programs when allocated.

Remuneration policy
The overall objective of Linkfire's remuneration policy is to attract, motivate and retain qualified members of the board and the executive management as well as to secure the alignment of the interests of the Board of Directors and the executive management with the interests of the company's shareholders and other stakeholders. The remuneration of the Board of Directors and the executive management shall be designed to support the strategic goals of the company and to promote value creation for the benefit of the shareholders.

External audit
Deloitte Statsautoriseret Partnerselskab has been Linkfire's auditor since 2016.
Linkfire's auditor is appointed by the annual general meeting for the period until the end of the next annual general meeting. At the annual general meeting held on 27 April 2022, Deloitte was re-elected as Linkfire's auditor. The auditor's office address is
Weidekampsgade 6,
DK-2300 Copenhagen,
Denmark



Financial statements

Consolidated statement of comprehensive income

DKK thousand	Note	2022	2021
Revenue	6	52,590	33,697
Cost of Sales		(13,026)	(9,320)
Gross Profit		**39,564**	**24,378**
		75.23%	
External Expenses		(28,915)	(16,853)
Other External Expenses		-	(6,867)
Staff Costs	7	(46,708)	(31,170)
Other staff Costs	7	(3,817)	-
EBITDA		**(39,875)**	**(30,512)**
Depreciation, amortization and impairment losses	9	(34,414)	(8,913)
EBIT		**(74,289)**	**(39,425)**
Financial Income	10	1,042	3,091
Financial Expenses	11	(2,316)	(4,743)
Profit/(loss) before tax		**(75,563)**	**(41,077)**
Tax for the year	12	5,477	5,500
Profit/(loss) for the year		**(70,087)**	**(35,577)**

DKK thousand	2022	2021
Attributable to:		
Earnings per share (DKK)	(1.0)	(0.77)
Earnings per share, diluted (DKK)	(0.9)	(0.76)
Other comprehensive income		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):		
Exchange differences on translation of foreign operations	-47	-476
Other comprehensive income for the year, net of tax	**-47**	**-476**
Total comprehensive income for the year	**(70,134)**	**(36,053)**

Consolidated statement of financial position

DKK thousand	Note	2022	2021
Assets			
Non-current assets			
Intangible assets	13	74,372	69,876
Property, plant and equipment	14	281	669
Right-of-use assets	15	5,157	8,688
Deposits	16	1,206	1,153
Total non-current assets		**81,017**	**80,386**
Current assets			
Trade Receivables	17	5,026	6,238
Income tax receivables	11	5,500	5,500
Other receivables		579	543
Prepayments		2,200	1,588
Cash		7,027	45,946
Total Current Assets		**20,332**	**59,815**
Total assets		**101,349**	**140,200**

DKK thousand	Note	2022	2021
Equity and liabilities			
Equity			
Share capital	19	1,150	584
Retained Earnings		41,991	86,464
Translation reserve		(399)	(352)
Other capital reserve	21	1,220	429
Total Equity		**43,962**	**87,125**
Non-current liabilities			
Interest bearing liabilities	20	24,206	21,496
Lease liabilities	22	2,345	4,958
Other payables		1,000	-
Total non-current liabilities		**27,551**	**26,454**
Current liabilities			
Interest-bearing liabilities	20	2,250	7,200
Contract liabilities		9,927	6,166
Lease liabilities	22	3,356	3,836
Trade payables		9,481	4,831
Other payables		4,822	4,588
Total current liabilities		**29,836**	**26,621**
Total liabilities		**57,387**	**53,075**
Total equity and liabilities		**101,349**	**140,200**

Consolidated statement of changes in equity

DKK thousand	Share capital	Retained earnings	Translation reserve	Other capital reserve	Total
Balance at 1 January, 2022	**584**	**86,464**	**(352)**	**429**	**87,125**
Net profit/(loss) for the period	-	(70,087)	-	-	(70,087)
Other comprehensive income	-	-	(47)	-	(47)
Total Comprehensive income	**584**	**16,377**	**(399)**	**429**	**16,991**
Capital increase	566	29,498	-	-	30,063
Transaction cost	-	(3,092)	-	-	(3,092)
Share-based payments	-	(791)	-	791	-
Balance at 31 December, 2022	**1,150**	**41,991**	**(399)**	**1,220**	**43,962**

During the period no dividend was paid

DKK thousand	Share capital	Retained earnings	Translation reserve	Other capital reserve	Total
Balance at 1 January, 2021	**108**	**(73)**	**124**	**4,750**	**4,909**
Net profit/(loss) for the period	-	(35,577)	-	-	(35,577)
Other comprehensive income	-	-	(476)	-	(476)
Total Comprehensive income	**108**	**(35,650)**	**(352)**	**4,750**	**(31,144)**
Capital increase	476	125,489	-	-	125,965
Transaction cost	-	(8,259)	-	-	(8,259)
Share-based payments	-	4,884	-	(4,321)	563
Balance at 31 December, 2021	**584**	**86,464**	**(352)**	**429**	**87,125**

During the period no dividend was paid

Cash flow statement

DKK thousand	Note	2022	2021
Operating Loss		(74,289)	(39,425)
Depreciation, amortization and impairment losses	9	34,414	8,913
Change in working capital	18	9,209	(7,603)
Share-based payment expense	8	791	563
Cash flow from ordinary operating activities		**(29,875)**	**(37,552)**
Income taxes received		5,500	4,528
Interest paid		0	1,557
Interest received		(120)	(4,020)
Cash flow from operating activities		**(24,495)**	**(35,487)**
Development expenditures	13	(26,144)	(16,573)
Prepaid intellectual property rights		-	(8,298)
Investments in property, plant and equipment		(263)	(634)
Change in deposits	16	(102)	(728)
Cash flow from investing activities		**(26,509)**	**(26,233)**

DKK thousand	Note	2022	2021
Proceeds from borrowings		11,549	-
Repayment of borrowings		(14,521)	(8,916)
Payment of principal portion of lease liabilities	15	(4,080)	(2,424)
Transaction cost from capital increase		(3,092)	(8,259)
Proceeds from capital increase		22,500	125,489
Cash flow financing activities		**12,356**	**105,890**
Change in cash and cash equivalents			
Net cash flow		(38,649)	44,170
Net foreign exchange difference		(271)	994
Cash, Begin		45,947	783
Cash, End		**7,027**	**45,947**

Part of the acquisition of SmartURL was a non-cash investment (payment in shares) of DKK 7,563 thousand and DKK 1,000 thousand in estimated earn-out. The non-cash parts of the acquisition are excluded (presented net) in the cash flow from investing activities and financing activities.

Notes to the consolidated financial statements

Notes to the consolidated financial statements

1. Accounting policies

General information
Linkfire A/S is a limited liability company and is incorporated in Denmark. The parent company and its subsidiaries (referred to as the "Group" or "Linkfire") are on a mission to frictionlessly connect fans to the world of entertainment. Linkfire is a technology company providing marketing and promotional services within the music and entertainment industries.

Basis of preparation
The financial statements are presented in Danish kroner (DKK). All amounts have been rounded to the nearest DKK thousand, unless otherwise indicated. The financial statements have been prepared on a going concern basis and in accordance with the historical cost convention, except where IFRS explicitly requires use of other values.

For the purpose of clarity, the financial statements and the notes to the financial statements are prepared using the concepts of materiality and relevance. This means that line items not considered material in terms of quantitative and qualitative measures or relevant to financial statement users are aggregated and presented together with other items in the financial statements. Similarly, information not considered material is not presented in the notes.

The accounting policies, except as described below, have been applied consistently during the financial year and for the comparative figures.

Basis of consolidation
The consolidated financial statements comprise the financial statements of Linkfire A/S (the Parent) and subsidiaries which are entities controlled by Linkfire A/S. The Group controls an entity when it directly or indirectly owns more than 50% of the voting rights or may otherwise exercise a controlling influence.

Name	Country	Ownership
Linkfire Inc.	USA	100%
Linkfire Sociedade Unipeossal Lda.	Portugal	100%

Principles of consolidation
The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries.

The consolidated financial statements are prepared by combining items of a uniform nature and subsequently eliminating intercompany transactions, internal shareholdings and balances and unrealised intercompany gains or losses. The financial statements used for consolidation are prepared in accordance with the Group's accounting policies.

The accounting items of subsidiaries are recognized 100% in the consolidated financial statements. Investments in subsidiaries are offset by the interest's share of subsidiaries' net assets at the acquisition date at fair value.

Accounting policies are described in full in this note below.

Foreign currency translation

Transactions denominated in currencies other than the functional currency are considered transactions in foreign currency.

On initial recognition, transactions denominated in foreign currencies are translated to the functional currency applying the exchange rates at the transaction date. Foreign exchange rate

adjustments arising between the transaction date and the date of payment are recognised in the income statement under financial income or financial expenses.

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates at the reporting date. The difference between the exchange rates at the reporting date and at the date of transaction or the exchange rate in the latest financial statements is recognised in the income statement under financial income or financial expenses.

Cash flow statement
The cash flow statement is presented using the indirect method and shows cash flows from operating, investing, and financing activities for the year as well as the Group's cash and cash equivalents at the beginning and end of the financial year.

Cash flows from operating activities are calculated based on operating profit/loss, adjusted for the cash flow effect of non-cash operating items, working capital changes, financial expenses paid and income tax paid.

Cash flows from investing activities comprise payments in connection with the acquisition and sale of non-current intangible assets, property, plant, and equipment as well as financial assets.

Cash flows from financing activities comprise payments arising from changes in the size or composition of the Group's share capital and dividend paid. Cash and cash equivalents comprise cash at bank and in hand.

Notes to the consolidated financial statements

1. Accounting policies (continued)

Income statement

Revenue
The Group recognizes revenue from the following major sources being subscriptions and commissions. Revenue mainly derives from subscription fees charged for customers' access to the Group's marketing platform software. For software contracts, the total contract sum is allocated to the separate performance obligations for the purpose of revenue recognition.

Revenue recognition requires an agreement with the customer, which creates enforceable rights and obligations between the parties, has commercial substance, and identifies payment terms. In addition, it must be probable that the consideration determined in the contract will be collected.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and exclude amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control of the license or service to a customer. All revenue is derived from contracts with customers.

Subscription fees
Subscription fees cover license, hosting and maintenance, as is standard in the software as a service subscription offering. The license is not distinct from the hosting service, revenue is therefore recognized over time, as the customers are receiving and consuming the benefits of the Group's performance while performing. The hosting service and maintenance are therefore bundled tintoone performance obligation together with the license. Revenue is recognized over the duration of the contract on a straight line basis.

Non-recurring subscription fees comprise material contracts that are recognized over time as production of each project is carried out. Revenue from fixed price projects is recognized based on the value corresponding to the stage of completion method.

Revenue is recognized when value to the customer of the services is transferred and completion at the balance sheet date can be measured reliably as Linkfire satisfies its performance obligations and it is probable that the economic benefits including payments will flow to the Group. Linkfire considers this output method to be an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15. The timing of revenue recognition often differs from contract payment schedules. Amounts billed in accordance with customer contracts, but not yet earned, are recorded and presented as part of "Contract liabilities".

Commissions
Affiliate partners are creating tokens and supplying these to Linkfire, which allows the affiliate partners to track referrals from Linkfire. Linkfire is implementing the tokens in their infrastructure, and in return the affiliate partners are paying commissions based on the result of approved transactions and qualifying purchases. Commissions are treated as one performance obligation, as they constitute a series of services. Revenue is recognized on a running basis because the affiliate partner receives and consumes the benefits of the Group's performance while performing.

The recognition point in time is when the revenue generating conversion, according to the individual contract, is earned by the affiliate partner.

Cost to obtain a contract
The Group pays sales commission to its employees based on the contracts that they obtain for sales of licenses. The commissions are expensed when incurred as the underlying customer contracts have a duration of less than a year. These are one-off payments directly related to specific sales, and are as such to be recognized as incremental costs.

Cost of sales
Cost of sales comprise costs incurred to achieve the year's revenue including hosting and transaction costs.

External expenses
External expenses comprise sales and marketing costs, external consultancy costs, other employee-related costs, IT and software costs, investor relations costs, loss allowances for doubtful trade receivables and other administrative expenses.

Other external expenses
Other external expenses comprise expenses of an extraordinary nature. The expenses recognized in 2021 relate to the First North listing and associated consultancy expenses.

Staff costs
Staff costs consist of salaries, sales commissions, bonuses, pensions and social costs, share-based payments, vacation pay, and other benefits. Salaries, bonuses, pensions and social costs, share-based payments, vacation pay, and other benefits are recognised in the year in which the associated services are rendered by the employees.

Notes to the consolidated financial statements

1. Accounting policies (continued)

Share-based payments
The Board of Directors, the Board of Management and other employees have been granted warrants. The warrants are measured at fair value at the grant date and are recognized as an expense in staff costs over the vesting period. Expenses are set off against equity (equity-settled share-based payments). The fair value of the warrants is measured using the Black & Scholes valuation method or other generally accepted valuation techniques. The calculation takes into account the terms and conditions under which the warrants are granted. Fair value is not subsequently remeasured. If subsequent modifications to a warrant program increase the value of the warrants granted, measured before and after the modification, the increase is recognized as an expense. If the modification occurs before the vesting period, the increase in value is recognized as an expense over the period for services to be received. If the modification occurs after the vesting date, the increase in value is recognized as an expense immediately.

Consideration received for warrants sold is recognized directly in equity.

Financial income and financial expenses

Financial income and expenses include interest income, interest expense, lease interest and amortization, amortization of borrowing issue costs and realized and unrealised exchange gains and losses.

Tax
Tax on the profit/loss for the year comprises the year's current tax and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to items recognized in other comprehensive income and directly in equity, respectively, is recognised in other comprehensive income or directly in equity.

Exchange rate adjustments of deferred tax are recognised as part of the adjustment of deferred tax for the year.

Current tax payable and receivable is recognised in the balance sheet as the expected tax on the taxable income for the year, adjusted for tax paid on account. The current tax charge for the year is calculated based on the tax rates and rules enacted at the balance sheet date.

Deferred tax is calculated using the liability method on all temporary differences between the accounting and taxable values of assets and liabilities.

Deferred tax assets are assessed yearly and only recognized to the extent that it is more likely than not that they can be utilized. Deferred tax assets, including the tax value of tax losses carried forward, are recognised as other non-current assets and measured at the amount at which they are expected to be realized, either by setting off deferred tax liabilities or by setting off tax on future earnings within the same legal entity or a jointly taxed entity.

Deferred tax is measured based on the tax legislation and statutory tax rates in the respective countries that will apply under the legislation in force on the balance sheet date when the deferred tax asset is expected to crystallize as current tax. Changes in deferred tax resulting from changes in tax rates are recognised in the income statement.

The Group recognizes deferred tax assets relating to losses carried forward when Management finds that these can be offset against taxable income in the foreseeable future. An assessment is made taking into consideration the effect of restrictions in utilization in local tax legislation. Future taxable income is assessed based on budgets as well as Management's expectations regarding growth and operating margin in the coming years.

Balance sheet

Intangible assets
Intangible assets with determinable useful lives comprise completed and in progress development projects and are measured at cost less accumulated amortization and impairment losses. Completed development projects by the Group are recognized as an asset if the cost of development is reliably measurable and an analysis shows that future economic benefits from using the software exceed the cost. Cost is defined as development costs incurred to make the software ready for use and consists primarily of direct salaries and other directly attributable development costs.

Once a software application has been developed, the cost is amortized over the expected useful life on a straight-line basis. If the useful life cannot be estimated, it is tested for impairment yearly or if indications of impairment arise.

Amortization and impairment charges are recognised in the income statement.

The amortization periods used are 5 -10 years.

Expected useful lives are reassessed regularly. The Group regularly reviews the carrying amounts of its finite-lived intangible assets to determine whether there is an indication of an impairment loss.

Intangible assets, including development projects in progress, are tested for impairment at least on a yearly basis, or if indications of impairment exist. Intangible assets are written down to their recoverable amount if the carrying amount exceeds the higher of the fair value less costs to sell and the value in use. Depreciation and impairment charges are recognized in the income statement.

Property, plant and equipment
Property, plant and equipment comprises other fixtures and fittings, tools and equipment and are measured at cost less accumulated

Notes to the consolidated financial statements

1. Accounting policies (continued)

depreciation and accumulated impairment. Other fixtures and fittings, tools and equipment are depreciated on a straight-line

basis over the expected useful lives of the finite-lived assets, which are as follows:

Other fixtures and fittings, tools and equipment – 3-5 years

Property, plant and equipment is tested for impairment if indications of impairment exist. Property, plant and equipment is written down to its recoverable amount if the carrying amount exceeds the higher of the fair value less costs to sell and the value in use. Depreciation and impairment charges are recognised in the income statement.

Leases
When entering into an agreement, the Group assesses whether an agreement is a lease agreement or contains a lease element.

The right-of-use asset is measured at cost, which is calculated as the present value of the lease obligation plus any direct costs related to the entering into of the lease and prepaid lease payments.

The right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term and the useful life of the asset.

The Group leases properties which include a service element in the payments to the lessor. This service is deducted from the lease payment when measuring the lease obligation. Where the Group cannot reliably separate lease and non-lease items, it is considered a single lease payment.

Short leases with a maximum lease term of 12 months and leases where the underlying asset has a low value are not recognised in the statement of financial position. The lease term is defined as the non-cancellable period of a lease together with periods covered by options to extend the lease if it is reasonably certain that the options will be exercised and periods covered by options to terminate the lease if it is reasonably certain that the options will not be exercised. A number of leases contain extension and termination options in order to guarantee operational flexibility in managing the leases.

The lease obligation, which is recognised under "Lease liabilities", is measured at the present value of the remaining lease payments, discounted by the Group's incremental loan interest rate, if the implicit interest rate is not stated in the lease agreement or cannot reasonably be determined. The lease obligation is subsequently adjusted if:

- The value of the index or interest rate on which the lease payments are based changes.
- There is a change in the exercise of options to extend or shorten the lease period due to a material event or a material change in circumstances which is within the control of the lessee.
- The lease term is changed as a result of exercising an option to extend or shorten the lease term.

Subsequent adjustments of the lease obligation are recognized as a correction to the right-of-use asset. However, if the right-of-use asset has a value of DKK 0, a negative reassessment of the right-of-use asset is recognized in the income statement.

Deposits
On initial recognition, deposits are measured at fair value and subsequently at amortized cost less impairment losses, if any.

Trade receivables
For trade receivables, the Group applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and, in respect of trade receivables, a general provision is also made based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking any credit enhancements held by the Group into account. Trade receivables are written off when all possible options have been exhausted and there is no reasonable expectation of recovery.

The cost of allowances for expected credit losses and write-offs for trade receivables are recognised in the income statement under other external expenses.

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables in note 17. The Group does not hold collateral as security.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Interest-bearing liabilities
Debt to credit institutions and other interest-bearing liabilities. Interest-bearing liabilities are measured at amortized cost.

Trade payables and other payables
Other payables include bonus and commission accruals, vacation pay obligations, payroll taxes and VAT. Payables are measured at amortized cost.

Notes to the consolidated financial statements

2. Going concern

During 2022, Linkfire concluded the process of securing the necessary financing to continue its operations. The equity financing of DKK 45M is divided into two equal tranches whereof the first tranche was settled in Q4-2022, while the second tranche will settle latest in April 2023. Second tranche is committed by the largest new shareholder participating in the first tranche, Maverick Capital Limited ("Maverick"), at the same price per share of SEK 0.60. Linkfire has the option to waive the commitment if, and to the extent that Linkfire is able to obtain equity financing in the amount of DKK 22.5M or more at more favorable terms elsewhere.

Linkfire is continuing its path towards profitability and with a strong improvement in earnings in Q4-2022 as well as a structurally lighter cost base, the company's management remains confident in its plan to reach EBITDA profitability for the full year of 2023. In its restructured form, the company's management is confident in the presence of sufficient operating flexibility to mitigate the expectation of difficult operating conditions.

The above-mentioned financing, including the second tranche investment and the company breaks-even on EBITDA in 2023 is sufficient to sustain investments into innovation as well as servicing loan obligations. Current budgets and plans are still considered achievable at the signing date. Linkfire is continuously optimizing its capital preparedness and options as complementary to secured equity financing.

Management has on this background decided to prepare the financial statements on a going concern basis.

3. Adoption of new and amended standards

Management has assessed the impact of new or amended accounting standards and interpretations (IFRSs) issued by the IASB and IFRSs endorsed by the European Union effective on or after 1 January 2023. Management assessed that application of these has not had a material impact on the financial statements for 2022.

Furthermore, Management has assessed the impact of new or amended accounting standards and interpretations (IFRSs) issued by the IASB that have not yet become effective. Management does not anticipate any significant impact on future periods from the adoption of these amendments.

4. Critical accounting judgments and key sources of estimation uncertainty

As part of the preparation of the financial statements, Management makes a number of accounting estimates and assumptions as a basis for recognising and measuring the Group's assets, liabilities, income and expenses as well as judgments made in applying the entity's accounting policies. The estimates, judgments and assumptions made are based on experience gained and other factors that are considered prudent by Management in the circumstances, but which are inherently subject to uncertainty and volatility.

The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may occur, for which reason the actual results may differ from the estimates and judgements made. The accounting policies are described in detail in note 1 to the financial statements to which we refer.

Management considers the following accounting estimates and judgments to be significant in the preparation of the financial statements.

Development costs

The Group capitalizes costs for software development projects. Initial capitalization of costs is based on management's judgment that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalized, management makes assumptions regarding the expected future cash generation of the project and the expected period of benefits. At 31 December 2022, the carrying amount of capitalized development costs was DKK 74,372 thousand (2021: DKK 69,875 thousand). In 2022, DKK 26,144 thousand were capitalized (2021: DKK 19,215 thousand)..

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease.

Impairment of non-financial items

At each reporting date, it is required to assess whether there is any indication that an asset may be impaired, and an impairment test is

Notes to the consolidated financial statements

4. Critical accounting judgments and key sources of estimation uncertainty (continued)

conducted by Management in relevant cases. Impairment is recognized when the carrying amount of an asset exceeds its recoverable amount.

As a result of Management's impairment assessment, Linkfire recognized in 2022 a net impairment loss of DKK 19,893k (2021: DKK 0). For further description please refer to note 13 of the financial statements.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate

inputs to the valuation model, including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 7.

The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may occur, for which reason the actual results may differ from the estimates and judgments made. In 2022, the cost of share-based payments amounted to DKK 791 thousand (2021: DKK 562 thousand).

Deferred tax

Linkfire has not accounted for deferred tax assets related to tax losses carried forward. Linkfire's tax losses can be carried forward indefinitely. The deferred tax assets shall be recognized based on expected earnings for the next 3-5 years and the possibility to utilize the deferred tax assets to be offset against positive taxable income in each jurisdiction. The Group has concluded that the deferred tax assets will not be fully recoverable using the estimated future taxable income based on business plans and budgets for the Group. Deferred tax assets not recognized have a total value of DKK 14,847 thousand (2021: 4,100 thousand).

5. Segment information

For management purposes and based on internal reporting information, Linkfire is organized in only one operating segment, as the information reported includes operating results at a consolidated level only. The company setup and costs related to the main nature of the business are not attributable to any specific revenue stream or customer type and are therefore borne centrally. The results of the single reporting segment are shown in the statement of comprehensive income.

For the split of revenue, please refer to note 6.

Notes to the consolidated financial statements

6. Revenue

	2022	2021
Revenue		
DKK thousand		
Subscriptions*	32,100	22,079
Commissions	20,490	11,618
Total	**52,590**	**33,697**
%-split		
Subscriptions	61	66
Commissions	39	34
Total	**100**	**100**

* A total of DKK 4,561 thousand correspond to non-recurring subscription revenue recognized in 2022 (2021: DKK 0).

Geographic Information

As an online platform,the Group generates revenue from customers located worldwide. For this purpose, internal reporting divides revenue according to the NAM (Northern America),the EMEA region (Europe, Middle East and Africa) as well as APAC (Asia and Oceania) and LATAM (Latin America and the Caribbean).

	2022	2021
DKK thousand		
NAM	34,253	19,441
EMEA	13,143	9,573
APAC	4,331	4,129
LATAM	864	554
Total	**52,590**	**33,697**
%-split		
NAM	65	58
EMEA	25	28
APAC	8	12
LATAM	2	2
Total	**100**	**100**

In 2022, two customers exceeded 10% of total revenue and accounted for 44%.
In 2021, two customers exceeded 10% of total revenue and accounted for 39%.

Notes to the consolidated financial statements

6 Revenue (continued)

	2022	2021
Contract balances (liability)		
DKK thousand		
Cost at 1 January	6,166	5,702
Recognised during the year	-32,100	-22,079
Additions	35,861	22,543
Cost at 31 December	**9,927**	**6,166**

Management expects that 100.0% of the transaction price allocated to the unsatisfied contracts as of the year ended 2022 will be recognized as revenue during the next reporting period (DKK 9.9 million).

Notes to the consolidated financial statements

7. Staff Costs

DKK thousand	2022	2021
Gross salaries	60,437	38,071
Share-based payments	791	562
Other social security costs	2,143	1,314
Other staff costs	6,316	2,728
Total	**69,687**	**42,676**
Capitalized Salaries	(19,162)	(11,506)
Total	**50,525**	**31,170**
Number of employees at year end	74	91
Average numbers of employees during the year	95	68
Board of Directors		
Salaries	775	346
Share-based payments	727	428
Total	**1,502**	**774**

DKK thousand	2022	2021
Key Management Personnel		
Salaries	9,323	5,782
Share-based payments	0	105
Total	**9,323**	**5,887**

Increase in Key Management Personnel costs is related to general Management compensation increases reflecting leadership benchmarks of a listed company, short-term incentive payouts to commercial part of Management for reaching sales targets, more Management staff than in 2021 and a stronger Fx rate impacting salary developments.

Employment contracts for members of the Key Management Personnel contain terms and conditions that are common to those of their peers in similar companies, including terms of notice and non--competitive clauses.

Notes to the consolidated financial statements

8. Share-based payments

DKK thousand	2022	2021
Cost of share-based payments	791	562
Total	**791**	**562**

Costs of share-based payments are recognized as staff costs with a corresponding effect in equity. Consideration received for warrants sold is recognized directly in equity. The share based incentive programs will only be settled in shares and no cash

The board of directors was authorized on:

1. 15 June 2021 to issue warrants to key employees, consultants and members of executive management in the company. The warrant terms entitle the warrant holders to subscribe for up to a total of 3,010,764 shares of nominal DKK 0.01 each.
The warrants are granted to the Warrant Holder at the signing of the issued subscription agreement.
The warrants are to be vested linearly over 36 months after the grant date.

2. 15 June 2021 to issue warrants to members of the board of directors in the company. The warrant terms entitle the warrant Holders to subscribe for up to a total of 737,080 shares of nominal DKK 0.01 each.
The warrants are granted to the Warrant Holder at the signing of the issued subscription agreement.
The warrants are to be vested linearly over 36 months after the grant date.

3. 27 April 2022 (continuance of authorization from 15 June 2021) to issue warrants to key employees, consultants and members of the executive management in the company. The warrant terms entitle warrant holders to subscribe for up to a total amount of 3,010,764 shares of nominal DKK 0.01 each.
The warrants are granted to the warrant holder at the signing of the issued subscription agreement.
The warrants are to be vested linearly over 36 months after the grant date.

4. 27 April 2022 to issue warrants to members of the board of directors in the company. The warrant terms entitle warrant holders to subscribe for up to a total amount of 368,540 shares of nominal DKK 0.01 each.
The warrants are to be vested linearly over 36 months after the grant date.

Specification of outstanding warrants:

Number of warrants	Weighted average exercise price DKK	Boards of Directors	Key Management Personnel	Employees & Advisors	Total
Corporate conversion	1.00	200	1,250	1,928	3,378
Granted	8.20	849	-	-	849
Transferred	4.47	(168)	-	168	-
Exercised	3.71	(112)	(1,639)	(2,642)	(4,393)
Canceled	4.47	(107)	(76)	(172)	(355)
Outstanding at 31 December 2021	**8.77**	**737**	**-**	**-**	**736**
Granted	3.01	369	-	139	508
Transferred	-	-	-	-	-
Exercised	-	-	-	-	-
Canceled	5.89	(133)	-	(87)	(220)
Outstanding at 31 December 2022	**6.53**	**972**	**-**	**53**	**1,024**

Notes to the consolidated financial statements

8. Share-based payments (continued)

Outstanding warrants have the following characteristics:

Warrants outstanding	Weighted average exercise price DKK	Vesting period	Exercise period	2022	2021
Warrants outstanding					
Warrants granted in 2021	8.77	Jul 21 - Jun 24	Jun 24 - Jun 26	604	737
Warrants granted in 2022	3.01	May 22 - Jun 25	Apr 25 - Apr 27	421	-
Outstanding at 31 December				**1,025**	**737**

DKK thousand	2022	2021
Average remaining life of outstanding warrants at 31 December (years)	4.00	5.00
Exercise price for outstanding warrants at 31 December (DKK)	3.01-8.77	8.77

The fair value of the warrants issued is measured at calculated market price at the grant date based on the Black & Scholes valuation method. The calculation is based on the following assumptions at the grant date:

Number of warrants	Warrants granted in 2022	Warrants granted in 2021
Average share price (DKK)	3.01	8.77
Expected volatility rate (% p.a.)	0.54	0.54
Risk-free interest rate (% p.a.)	-	-
Expected warrant life (no. years)	5.00	5.00
Exercise price (DKK)	**3.01**	**8.77**
Fair value per granted warrant (DKK)	1.16	3.40
Fair value all granted warrants, after dilution (DKK thousand)	588	2,510

Volatility rate is applied based on the annualized volatility on Linkfire's stock and relevant peer groups derived from the standard deviation of daily observations over 12 months ending December 2022.

Notes to the consolidated financial statements

9. Depreciation, amortization and impairment losses

DKK thousand	2022	2021
Amortization of intangible assets	10,341	6,499
Depreciation of property plant and equipment	651	134
Depreciation of right-of-use assets	3,529	2,280
Impairment loss of intangible assets	19,893	-
Total	**34,414**	**8,913**

For further information on the impairment loss of intangible assets, please refer to note 13 of the consolidated financial statements.

10. Financial income

DKK thousand	2022	2021
Foreign exchange income and other adjustments	1,042	1,534
Other financial income	-	1,557
Total	**1,042**	**3,091**

11. Financial expenses

DKK thousand	2022	2021
Interest expenses	1,320	4,249
Foreign exchange losses and other adjustments	627	313
Interest on lease liabilities	369	181
Total	**2,316**	**4,743**

12. Tax for the year

DKK thousand	2022	2021
Current tax for the year income	(23)	-
Changes in deferred tax		
Recognised as receivable tax credit	5,500	5,500
Total	**5,477**	**5,500**

Income tax benefits for both the years 2022 and 2021 relate to tax credits for research and development expenses at the applicable tax rate under the Danish Corporate Income Tax Act.

DKK thousand	2022	2021
Tax calculated as 22% of profit/loss before tax	16,624	9,036
Non-capitalised tax assets	(10,747)	(2,025)
Non-deductible expenses	(400)	(1,511)
Effective tax	**5,477**	**5,500**
Tax rate for the year (%)	7.2%	13.8%

Due to uncertainty of utilization of the tax loss carry-forward, the Group has not recognised any deferred tax assets. Deferred tax assets not recognized have a total value of DKK 14,847 thousand (2021: 4,100 thousand).

Notes to the consolidated financial statements

13. Intangible assets

DKK thousand	Prepaid Intellectual Property Rights	Completed development projects	Development projects in progress	Total
2022				
Cost at 1 January	8,298	74,979	-	83,277
Transfers	(16,885)	43,029	(26,144)	-
Additions	12,387		26,144	38,531
Disposals	(3,800)	-	-	(3,800)
Cost at 31 December	**-**	**118,008**	**-**	**118,008**
Amortization and impairment at 1 January	-	(13,402)	-	(13,402)
Amortization during the year	-	(10,341)	-	(10,341)
Impairment during the year	-	(19,893)	-	(19,893)
Amortization and impairment at 31 December	**-**	**(43,636)**	**-**	**(43,636)**
Carrying amount at 31 December	**-**	**74,372**	**-**	**74,372**
2021				
Cost at 1 January	-	55,764	2,642	58,406
Transfers	-	19,215	(19,215)	-
Additions	8,298	-	16,573	24,871
Cost at 31 December	**8,298**	**74,979**	**-**	**83,277**
Amortization and impairment at 1 January	-	(6,903)	-	(6,903)
Amortization and impairment during the year	-	(6,499)	-	(6,499)
Amortization and impairment at 31 December	**-**	**(13,402)**	**-**	**(13,402)**
Carrying amount at 31 December	**8,298**	**61,577**	**-**	**69,875**

Completed development projects comprise software development costs related to development of the existing software. The software is under continuous development for the use of customers and partners and is sold as i) a license to use the software for a given period, and ii) as an integration component on websites and in applications. Users have access to upgrades and new functionalities during the contract period.

Development costs for the year cover both development of the front-end and the back-end part of the software solution. Both parts are to increase the user experience, functionalities within the software as well as expand upon the technical applications of the software in order to increase the Group's revenue by maintaining existing customers and partners and acquire new customers and partners.

It is Management's assessment that the expected useful lives of the finite-lived assets, as well as the expected future revenue streams from the assets, are sufficient to cover the value of recognised developed software at the reporting date.

In 2022, Linkfire expensed DKK 12,107 thousand (2021: 10,141 thousand) for development projects not meeting the recognition criteria applicable to internally generated intangible assets.

Sub-projects together (the platform) constitute one single cash-generating unit.

As a result of Management's assessment, Linkfire recognised in 2022 a net impairment loss of DKK 16,885 thousand related to SmartURL and an impairment loss of DKK 3,008 thousand on other Completed development projects, totalling a recognition of DKK 19,893 thousand in impairment losses.
After the acquisition of SmartURL the technology and platform were migrated into the Linkfire platform.
The impairment related to the recoverable amount of SmartURL has been recognized even though the asset is showing good results, including indirect developments with enterprise clients, since Linkfire's assessment of the value of the SmartURL asset lies in the integration with the Platform as a whole and not in value of the isolated asset itself. This is a financial measure and not an expression of management's belief in the commercial potential of the acquired assets.
The impairment related to other Completed development projects is related to outdated advertising sub-projects, which comprises assets that are not being commercialized any more. The write-down has been made as a result of Management not believing in any further earnings from these sub-projects, which is why the recoverable amount is calculated at DKK 0.

Notes to the consolidated financial statements

14. Property, plant and equipment

DKK thousand	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
2022			
Cost at 1 January	834	121	955
Additions	263	-	263
Disposals	-	-	-
Cost at 31 December	**1,097**	**121**	**1,218**
Depreciation at 1 January	(165)	(121)	(286)
Depreciation during the year	(651)	-	(651)
Depreciation at 31 December	**(816)**	**(121)**	**(937)**
Carrying amount at 31 December	**281**	**-**	**281**
2021			
Cost at 1 January	200	121	321
Additions	634	-	634
Disposals	-	-	-
Cost at 31 December	834	121	955
Depreciation at 1 January	**(33)**	**(119)**	**(152)**
Depreciation during the year	(132)	(2)	(134)
Depreciation at 31 December	**(165)**	**(121)**	**(286)**
Carrying amount at 31 December	**669**	**-**	**669**

15. Right-of-use assets

DKK thousand	Offices	Vehicles	Equipment	Total
2022				
Cost at 1 January	12,608	81	1,088	13,777
Additions			683	683
Cost at 31 December	**12,608**	**81**	**1,771**	**14,460**
Depreciation at 1 January	(4,255)	(47)	(787)	(5,089)
Depreciation during the year	(3,919)	(34)	(261)	(4,214)
Depreciation at 31 December	**(8,174)**	**(81)**	**(1,048)**	**(9,303)**
Carrying amount at 31 December	**4,434**	**-**	**723**	**5,157**
2021				
Cost at 1 January	5,060	-	975	6,035
Additions	7,548	81	113	7,742
Cost at 31 December	**12,608**	**81**	**1,088**	**13,777**
Depreciation at 1 January	(2,368)	-	(441)	(2,809)
Depreciation during the year	(1,887)	(47)	(346)	(2,280)
Depreciation at 31 December	**(4,255)**	**(47)**	**(787)**	**(5,089)**
Carrying amount at 31 December	**8,353**	**34**	**301**	**8,688**

Notes to the consolidated financial statements

15. Right-of-use assets (continued)

Carrying amounts of lease liabilities and movements during the period:

DKK thousand	2022	2021
At 1 January	8,794	3,296
Additions	683	7,742
Accrual of interest	368	181
Payments	(4,079)	(2,424)
Exchange rate adjustments	(65)	(1)
At 31 December	**5,701**	**8,794**
Non-Current	2,345	4,958
Current	3,356	3,836

The following amounts have been recognised in the income statement:

DKK thousand	2022	2021
Depreciation expense of right-of-use assets	4,214	2,280
Interest expense on lease liabilities	368	181
Total amount recognised in the income statement	**4,582**	**2,461**

The Group had total outflow for leases of DKK 4,079 thousand (2021: DKK 2,424 thousand).
The Group leases offices, and lease terms are negotiated on an individual basis and contain different terms and conditions.

16. Deposits

DKK thousand	2022	2021
Cost at 1 January	1,153	427
Additions	53	726
Cost at 31 December	**1,206**	**1,153**

17. Trade Receivables

DKK thousand	2022	2021
Trade receivables	5,026	6,238
Write-downs	(623)	-
Total	**4,403**	**6,238**

Expected credit loss
The following table details the maturity of trade receivables. The Group has assessed their expected credit losses on an individual level, and has recognised an expected loss on debtors of DKK 623 thousand (2021: DKK 0) related mainly to debtors with more than 12 months due.

Notes to the consolidated financial statements

17. Trade Receivables (continued)

DKK thousand	Not Past due	Overdue by 0-15 days	Overdue by 16-30 days	Overdue by >30 days	Write-downs	Carrying amount of receivables
31 December 2022						
Trade receivables	3,299	2,284	-	66	(623)	5,026
31 December 2021						
Trade receivables	5,516	112	3	607	-	6,238

18. Working capital changes

DKK thousand	2022	2021
Change in receivables and prepayments	564	(5,219)
Change in trade payables and other debt etc	8645	(2,384)
Total	**9,209**	**(7,603)**

19. Share capital and earnings per share

At 31 December 2022, the share capital consisted of 114,989,051 (2021: 58,339,222) shares with a nominal value of DKK 0.01 each.
The shares are not divided into classes and carry no right to fixed income

DKK thousand	2022
Issued and fully paid shares:	
At 1 January 2021, 10,808,661 shares of DKK 0.01 each	104
Corporate conversion	292
Capital increase	187
At 31 December 2021	**583**
Capital increase	567
Share capital at 31 December 2022	**1,150**

Notes to the consolidated financial statements

19. Share capital and earnings per share

DKK thousand	2022	2021
Earnings per share		
The calculation of earnings per share is based on the following:		
Profit/(loss) for the year	(70,087)	(35,578)
Average number of ordinary shares for calculation of earnings per share:	**73,098,111**	**46,318,136**
Average diluted effect of outstanding share options	**1,118,033**	**695,065**
Average number of shares for calculation of diluted earnings per share:	**74,216,144**	**47,013,201**
Earnings per share (EPS)	(0.96)	(0.77)
Earnings per share, diluted (DEPS)	(0.94)	(0.76)

20. Interest-bearing liabilities

DKK thousand	2022	2021
Non-current borrowings		
Debt to credit institutions	22,054	19,385
Other	2,152	2,111
Total	**24,206**	**21,496**
Current borrowings		
Debt to credit institutions	2,250	7,200
Total	**2,250**	**7,200**

21. Other capital reserve

Other capital reserve is used to recognize the value of equity-settled share-based payments provided to employees, including Key Management Personnel, as part of their remuneration. Refer to note 8 for further details of these plans.

Notes to the consolidated financial statements

22. Financial risks

Capital Management
The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balances. The capital structure of the Group consists of net debt and equity. Management reviews the capital structure continually to consider if the current capital structure is in accordance with the Group's and shareholders' interests.

Financial risk management
Due to the nature of its operations, investments, and financing, the Group is exposed to a number of financial risks. It is Group policy to operate with a low risk profile so that currency risk, interest rate risk and credit risk only occur in commercial relations. The scope and nature of the Group's financial instruments appear from the income statement and statement of financial position in accordance with the accounting policies applied. Provided below is information about factors that may influence amounts, time of payment, or the reliability of future payments, where such information is not provided directly in the financial statements. This note addresses only financial risks directly related to the Group's financial instruments.

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations towards the Group, resulting in a financial loss. The Group is exposed to credit risk primarily related to its trade and other receivables, receivables from group enterprises, contract assets and cash held at financial institutions. The Group considers accounts receivables in default when they are due more than 90 days, and the outstanding amount is written off when there is a court order of bankruptcy from the counterparty. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

Foreign currency risk
Currency risk is the risk that arises from changes in exchange rates and affects the Group's result.

The general objective of the Group's currency risk management is to limit and delay any adverse impact of exchange rate fluctuations on earnings and cash flows and thus increase the predictability of the financial results. The Group also aims at balancing incoming and outgoing payments in local currency as much as possible as well as monitoring the development in exchange rates and adjusting price lists when required.

The greatest exposure in foreign currency is to USD, and in 2022, 93% (2021: 84%) of the Group's revenue was denominated in USD. In order to minimize the currency risk related to transactions in USD, the Company's revenues are mainly invoiced in USD, while the majority of the Group's expenses, such as employee costs, are denominated in DKK. The Group is thus offering as much as possible revenue in EUR to match the main cost driver, as DKK is tied to EUR. Meanwhile, optimizing cost placements in USD to utilize incoming USD payments. However, currency fluctuations could cause currency transaction losses or gains which the Company cannot predict, and if the currency fluctuations are detrimental to the Group, it could have a material adverse effect on the Group's business, results of operations, and financial position. Furthermore, fluctuations in the value of USD and other foreign currencies may make the Group's subscriptions more expensive for international customers, which could harm its business.

Notes to the consolidated financial statements

22. Financial risks (continued)

DKK thousand	2022	2021
Sensitivity to a 10% increase in USD exchange rate		
Effect on profit before tax	6,749	3,691
Effect on pre-tax equity	6,749	3,691

	Assets		Liabilities		Net assets	
DKK thousand	**31 Dec 2022**	**31 Dec 2021**	**31 Dec 2022**	**31 Dec 2021**	**31 Dec 2022**	**31 Dec 2021**
Currency						
USD	17,611	23,179	2,801	1,174	14,810	22,005
EUR	361	3,137	443	209	(82)	2,928
Other	-	1,394	1,423	60	(1,423)	1,334

Liquidity risk
The Group ensures sufficient liquidity resources by liquidity management. In order to limit the Group's counterparty risk, deposits are only made in well-reputed banks.
At 31 December 2022, the Group's cash and cash equivalents amounted to DKK 7,027 thousand (2021: DKK 45,946 thousand).
The cash reserve and expected cash flow for 2023 are considered to be adequate to meet the obligations of the Group as they fall due.

Notes to the consolidated financial statements

22. Financial risks (continued)

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

DKK thousand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended on 31 December 2022					
Interest-bearing liabilities	1,000	1,250	22,054	2,152	26,456
Lease liabilities	839	2,517	2,345	-	5,701
Trade and other payables	11,297	2,870	1,000	-	15,167
Total	**13,136**	**6,637**	**25,399**	**2,152**	**47,324**
Year ended on 31 December 2021					
Interest-bearing liabilities	3,600	3,600	18,758	2,738	28,696
Lease liabilities	959	2,876	4,959	-	8,794
Trade and other payables	7,843	1,576	-	-	9,419
Total	**12,402**	**8,052**	**23,717**	**2,738**	**46,909**

Interest rate risk
Interest rate risk arises in relation to interest-bearing assets and liabilities.

The Group's interest-bearing debt to credit institutions of DKK 13,760 thousand (2021: DKK 16,590 thousand) at 31 December 2022 is subject to a variable rate of interest based on a 3-month CIBOR plus a premium, whereas DKK 12,696 thousand (2021: DKK 12,106 thousand) has a fixed interest rate of 5%

If market interest rates increased by one percentage point, the interest rate sensitivity as calculated based on the loan balance to credit institutions as per the end of 2022 would result in a yearly increase in interest expenses of DKK 265 thousand (2021: DKK 287 thousand). A corresponding decrease in market interest rates would have the opposite impact.

Financial instruments

DKK thousand	2022	2021
Financial assets measured at amortized cost		
Deposits	1,206	1,153
Trade receivables	5,026	6,238
Other receivables	579	543
Cash	7,027	45,946
Total	**13,839**	**53,880**
Financial liabilities measured at amortized cost		
Interest-bearing loan	26,456	28,696
Trade payables	9,471	4,831
Other payables	5,822	4,588
Total	**41,750**	**38,115**

Classification of financial assets measured at amortized cost
Since the Group's financial instruments measured at amortized cost are either short-term and/or exposed to floating interest rates, Management has assessed that the carrying amount is a reasonable approximation of fair value.

Notes to the consolidated financial statements

23. Liabilities arising from financing activities

DKK thousand	Other borrowings	Lease liabilities	Total
2022			
Liabilities at 1 January	28,696	8,794	37,490
Loans raised	11,549	683	12,232
Repayments	(14,521)	(4,079)	(18,600)
Other	732	303	1,035
Liabilities at 31 December	**26,456**	**5,701**	**32,157**
2021			
Liabilities at 1 January	48,587	3,296	51,883
Adjustment to 1 January balance*	(10,975)	-	(10,975)
Loans raised	-	7,742	7,742
Repayments	(8,916)	(2,424)	(11,340)
Foreign exchange rate movements	-	(1)	(1)
Other	-	181	181
Liabilities at 31 December	**28,696**	**8,794**	**37,490**

* Beginning balance included Trade payables and Other payables which is incorrect.

24. Related Parties

Shareholders	Registered office	Basis of influence
Maverick Capital Limited	Dubai	
Rocket Group ApS	Copenhagen	
Faurfelt Invest ApS	Copenhagen	

There is no ultimate Parent, as no owner holds the majority of the voting rights.

Notes to the consolidated financial statements

24. Related Parties

Other related parties
Other related parties of the Group with significant influence comprise the Board of Directors and the Executive Board and their related parties. The transactions with the Board of Directors and the Executive Board only consist of normal remuneration, as disclosed in note 7.

All agreements relating to these transactions are based on market price (arm's length).

25. Events after the Reporting Period

On February 23, 2023 the Board of Directors of Linkfire A/S decided to issue warrants to the executive management, the senior leadership team, key employees and contracted staff within the authorization granted by the annual general meeting on 27 April 2022.
The purpose of the warrant program is to create possibilities for the company to retain and incentivize certain key employees by offering a long-term ownership engagement. In total the grants cover 2,676,000 warrants of which 936,000 warrants have been granted to the executive management and senior leadership, and the remaining 1,740,000 warrants have been granted to key employees and contracted staff.

There have not been any other subsequent events after the reporting period which could influence the evaluation of the interim report.

26. Guarantees, contingent liabilities and collateral

The group has provided a bank guarantee to Euroclear of DKK 145 thousand.

In order to secure the Company's balance with Danske Bank, a mortgage has been granted with mortgages in simple receivables, operating inventories and equipment and intellectual property rights at a total book value of DKK 80,160 thousand (2021: DKK 76,630 thousand).

Parent Company

Parent company income statement

DKK thousand	Note	2022	2021
Revenue		52,590	33,697
Cost of sales		(13,026)	(9,320)
External expenses		(54,354)	(32,835)
Other external expenses		-	(6,867)
Gross profit		**(14,790)**	**(15,325)**
Staff costs	2	(26,387)	(17,754)
Other staff Costs	2	(3,817)	-
Depreciation, amortization and impairment losses	3	**(30,434)**	(6,576)
Operating profit/(loss)		**(75,427)**	**(39,655)**
Financial income		939	1,888
Financial expenses		(1,576)	(4,232)
Profit/(loss) before tax		**(76,064)**	**(41,998)**
Tax for the year	6	5,500	5,500
Profit/(loss) for the year		**(70,564)**	**(36,498)**

Parent company statement of financial position

DKK thousand	Note	2022	2021
Assets			
Completed development projects	7	74,372	61,578
Acquired Intellectual Property Rights	7	-	8,298
Total intangible assets		**74,372**	**69,876**
Other fixtures and fittings, tools and equipment	8	317	516
Total property, plant and equipment		**317**	**516**
Deposits		521	508
Investments in subsidiaries		-	-
Total financial assets		**521**	**508**
Total fixed assets		**75,210**	**70,900**

DKK thousand	Note	2022	2021
Assets			
Trade receivables		5,026	6,238
Other receivables		445	448
Income tax receivables		5,500	5,500
Prepayments		2,200	1,588
Total receivables		**13,171**	**13,774**
Cash		6,532	45,083
Total current assets		**19,703**	**58,858**
Total assets		**94,913**	**129,758**

Parent company statement of financial position

DKK thousand	Note	2022	2021
Equity and liabilities			
Share capital		595	583
Reserve for development costs		74,372	61,578
Retained earnings		(33,157)	23,110
Total equity		**41,810**	**85,271**
Interest bearing liabilities	10	24,206	21,496
Other payables		1,000	-
Total non-current liabilities		**25,206**	**21,496**
Interest bearing liabilities	10	2,250	7,200
Prepayments from customers		9,927	6,166
Trade payables		9,334	4,800
Payables to group enterprises		2,232	1,258
Other payables		4,153	3,567
Total current liabilities		**27,896**	**22,990**
Total liabilities		**53,103**	**44,487**
Total equity and liabilities		**94,913**	**129,758**

Parent company statement of changes in equity

DKK thousand	Share capital	Share premium	Reserve for development costs	Retained earnings	Total
2022					
Equity beginning of period	584	-	61,578	23,110	85,272
Increase of capital	566	30,052	-	(424)	30,194
Transferred from share premium	-	(30,052)	-	30,052	-
Transfer to reserves	-	-	12,794	(12,794)	-
Transaction cost from capital increase	-	-	-	(3,092)	(3,092)
Proposed dividend	-	-	-	-	-
Profit/(loss) for the period	-	-	-	(70,563)	(70,563)
Equity end of period	**1,150**	**-**	**74,372**	**(33,712)**	**41,810**

DKK thousand	Share capital	Share premium	Reserve for development costs	Retained earnings	Total
2021					
Equity beginning of period	108	-	51,503	(47,255)	4,356
Increase of capital	475	125,489	-	(292)	125,672
Transferred from share premium	-	(125,489)	-	125,489	-
Transfer to reserves	-	-	10,075	(10,075)	-
Transaction cost from capital increase	-	-	-	(8,259)	(8,259)
Proposed dividend	-	-	-	-	-
Profit/(loss) for the period	-	-	-	(36,498)	(36,498)
Equity end of period	**583**	**-**	**61,578**	**23,110**	**85,271**

Notes to the parent financial statements

Notes to the parent financial statements

1. Accounting policies

The separate parent financial statements have been incorporated in the annual report because a separate set of financial statements is required for the Parent under the Danish Financial Statements Act requirements for annual reports of reporting class B enterprises with additions of certain provisions for reporting class C.

The accounting policies applied for these financial statements are consistent with those applied last year.

Recognition and measurement
Assets are recognized in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably. Liabilities are recognized in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item. Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement. Income is recognized in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Cash flow statement
Referring to section 86(4) of the Danish Financial Statements Act, no cash flow statement have been prepared.

Income statement
Gross profit or loss
Gross profit or loss comprises revenue, own work capitalized, other operating income, cost of sales and external expenses with reference to section 32 of the Danish Financial Statements Act.

Revenue
Revenue from the sale of services is recognized in the income statement when delivery is made to the buyer. Revenue is recognized net of VAT, duties and sales discounts and is measured at the fair value of the consideration fixed.

Cost of sales
Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory write-downs.

External expenses
Other external expenses comprise sales and marketing costs, external consultancy costs, other employee-related costs, IT and software costs, investor relations costs, loss allowances for doubtful trade receivables and other administrative expenses.

Other external expenses
Other external expenses comprise expenses of an extraordinary nature. The expenses recognized in 2021 relate to the First North listing and associated consultancy expenses.

Staff costs
Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation and amortization
Depreciation and amortization relating to property, plant and equipment and intangible assets comprise Depreciation and amortization for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial income
Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortization of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortization of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognized in the income statement by the portion attributable to the profit for the year and recognized directly in equity by the portion attributable to entries directly in equity.

Balance sheet
Intellectual property rights etc.
Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilization, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognized as costs in the income statement as incurred. When recognizing development projects as intangible assets, an amount equaling the costs incurred less deferred tax is taken to equity under reserve for development costs that are reduced as the development projects are amortized and written down.

The cost of development projects comprises costs such as salaries and amortization that are directly and indirectly attributable to the development projects. Completed development projects are amortized on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated it is impairment tested yearly.

For development projects protected by intellectual property rights, the maximum period of amortization is the remaining duration of the relevant rights. The amortization periods used are 5 -10 years. Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Notes to the parent financial statements

1. Accounting policies (continued)

Property, plant and equipment
Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated. Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. The basis of depreciation is the cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period. Estimated useful lives and residual values are reassessed annually. Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises
Investments in group enterprises are measured at cost. Investments are written down to the lower of the recoverable amount and carrying amount.

Receivables
Receivables are measured at amortized cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Income tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost. Cash comprises cash in hand and bank deposits.

Other financial liabilities
Other financial liabilities are measured at amortized cost, which usually corresponds to nominal value.

2. Going concern

During 2022, Linkfire concluded the process of securing the necessary financing to continue its operations. The equity financing of DKK 45M is divided into two equal tranches whereof the first tranche was settled in Q4-2022, while the second tranche will settle latest in April 2023. Second tranche is committed by the largest new shareholder participating in the first tranche, Maverick Capital Limited ("Maverick"), at the same price per share of SEK 0.60. Linkfire has the option to waive the commitment if, and to the extent that Linkfire is able to obtain equity financing in the amount of DKK 22.5M or more at more favorable terms elsewhere.

Linkfire is continuing its path towards profitability and with a strong improvement in earnings in Q4-2022 as well as a structurally lighter cost base, the company's management remains confident in its plan to reach EBITDA profitability for the full year of 2023. In its restructured form, the company's management is confident in the presence of sufficient operating flexibility to mitigate the expectation of difficult operating conditions.

The above-mentioned financing, including the second tranche investment and the company breaks-even on EBITDA in 2023 is sufficient to sustain investments into innovation as well as servicing loan obligations. Current budgets and plans are still considered achievable at the signing date. Linkfire is continuously optimizing its capital preparedness and options as complementary to secured equity financing.

Management has on this background decided to prepare the financial statements on a going concern basis.

Notes to the parent financial statements

3. Staff Costs

DKK thousand	2022	2021
Wages and salaries	41,679	26,776
Other social security costs	333	361
Other staff costs	4618	2,123
	46,630	**29,260**
Staff costs classified as assets	(16,427)	(11,506)
Total	**30,203**	**17,754**
Average number of employees at balance sheet date	69	46

For information about remuneration to Board of Directors and Key Management Personnel and Share-based payments please refer to note 7 and 8 in the notes to the consolidated financial statements

4. Depreciation, amortization and impairment losses

DKK thousand	2022	2021
Depreciation and amortization of intangible assets	10,341	6,499
Impairment loss on intangible assets	19,893	-
Depreciation of property plant and equipment	200	76
Total	**30,434**	**6,575**

For information about recognized impairment losses please refer to note 13 in the notes to the consolidated financial statements.

5. Other financial income

DKK thousand	2022	2021
Foreign exchange gains	936	1,210
Other financial income	3	678
Total	**939**	**1,888**

6. Other financial expenses

DKK thousand	2022	2021
Other interest expenses	980	3,864
Foreign exchange losses and other adjustments	652	212
Other financial expenses	60	156
Total	**1,692**	**4,232**

7. Tax on profit/loss for the year

DKK thousand	2022	2021
Current tax	(5,500)	(5,500)

Notes to the parent financial statements

8. Intangible assets

DKK thousand	Prepaid Intellectual Property Rights	Completed development projects	Development projects in progress	Total
2022				
Cost at 1 January	8,298	74,979	-	83,277
Transfers	(16,885)	43,029	(26,144)	-
Additions	12,387		26,144	38,531
Disposals	-3,800	0	0	(3,800)
Cost at 31 December	**-**	**118,008**	**-**	**118,008**
Amortization and impairment at 1 January	-	(13,402)	-	(13,402)
Amortization during the year	-	(10,341)	-	(10,341)
Impairment during the year	-	(19,893)	-	(19,893)
Amortization and impairment at 31 December	**-**	**(43,636)**	**-**	**(43,636)**
Carrying amount at 31 December	**-**	**74,372**	**-**	**74,372**

DKK thousand	Prepaid Intellectual Property Rights	Completed development projects	Development projects in progress	Total
2021				
Cost at 1 January	-	55,764	2,642	58,406
Transfers	-	19,215	(19,215)	-
Additions	8,298	-	16,573	24,871
Cost at 31 December	**8,298**	**74,979**	**-**	**83,277**
Amortization and impairment at 1 January	-	(6,903)	-	(6,903)
Amortization during the year	-	(6,499)	-	(6,499)
Amortization and impairment at 31 December	**-**	**(13,402)**	**-**	**(13,402)**
Carrying amount at 31 December	**8,298**	**61,577**	**-**	**69,875**

Completed development projects comprise software development costs related to development of the existing software. The software is under continuous development for the use of customers and partners and is sold as i) a license to use the software for a given period, and ii) as an integration component on websites and in applications. Users have access to upgrades and new functionalities during the contract period. Development costs for the year cover both development of the front-end and the back-end part of the software solution. Both parts are to increase the user experience, functionalities within the software as well as expand upon the technical applications of the software in order to increase the Group's revenue by maintaining existing customers and partners and acquire new customers and partners.

It is Management's assessment that the expected useful lives of the finite-lived assets, as well as the expected future revenue streams from the assets, are sufficient to cover the value of recognised developed software at the reporting date.

In 2022, Linkfire expensed DKK 12,107 thousand (2021: 10,141 thousand) for development projects not meeting the recognition criteria applicable to internally generated intangible assets.

Sub-projects together (the platform) constitute one single cash-generating unit.

As a result of Management's assessment, Linkfire recognised in 2022 a net impairment loss of DKK 16,885 thousand related to SmartURL and an impairment loss of DKK 3,008 thousand on other Completed development projects, totalling a recognition of DKK 19,893 thousand in impairment losses. After the acquisition of SmartURL the technology and platform were migrated into the Linkfire platform. The impairment related to the recoverable amount of SmartURL has been recognized even though the asset is showing good results, including indirect developments with enterprise clients, since Linkfire's assessment of the value of the SmartURL asset lies in the integration with the Platform as a whole and not in value of the isolated asset itself. This is a financial measure and not an expression of management's belief in the commercial potential of the acquired assets.

The impairment related to other Completed development projects is related to outdated advertising sub-projects, which comprises assets that are not being commercialized any more. The write-down has been made as a result of Management not believing in any further earnings from these sub-projects, which is why the recoverable amount is calculated at DKK 0.

Notes to the parent financial statements

9. Property, plant and equipment

DKK thousand	Other fictures and fittings, tools and equipment	Leasehold improvements	Total
2022			
Cost at 1 January	614	121	735
Additions	263	-	263
Disposals	-		-
Cost at 31 December	**877**	**121**	**998**
Depreciation at 1 January	(97)	(121)	(218)
Depreciation during the year	(463)	-	(463)
Depreciation at 31 December	**(560)**	**(121)**	**(681)**
Carrying amount at 31 December	**317**	**-**	**317**

DKK thousand	Other fictures and fittings, tools and equipment	Leasehold improvements	Total
2021			
Cost at 1 January	116	121	237
Additions	498		498
Disposals	-		-
Cost at 31 December	**614**	**121**	**735**
Depreciation at 1 January	(22)	(119)	(141)
Depreciation during the year	(75)	(2)	(77)
Depreciation at 31 December	**(97)**	**(121)**	**(218)**
Carrying amount at 31 December	**517**	**-**	**517**

Notes to the parent financial statements

10. Financial assets

DKK thousand	Investments in group enterprises	Deposits
2022		
Cost at 1 January	-	508
Additions	-	13
Cost at 31 December	**-**	**521**
2021		
Cost at 1 January	-	426
Additions	-	82
Cost at 31 December	**-**	**508**

Name	Country	Ownership
Linkfire Inc.	USA	100%
Linkfire Sociedada Unipeossal Lda.	Portugal	100%

11. interest-bearing liabilities

DKK thousand	2022	2021
Non-current borrowings		
Debt to credit institutions	22,054	19,385
Other	2,152	2,111
Total	**24,206**	**21,496**
Current borrowings		
Debt to credit institutions	2,250	7,200
Total	**2,250**	**7,200**

For a specification of the debt that is due after 5 years please refer to note 22 of the notes to the consolidated financial statements.

12. Unrecognized rental and lease commitments

DKK thousand	2022	2021
Liabilities under rental or lease agreements until maturity	1,027	335
Total	**1,027**	**335**

Notes to the parent financial statements

13. Guarantees, contingent liabilities and collateral

The group has provided a bank guarantee to Euroclear of DKK 145 thousand.

In order to secure the Company's balance with Danske Bank, a mortgage has been granted with mortgages in simple receivables, operating inventories and equipment and intellectual property rights at a total book value of DKK 80,160 thousand (2021: DKK 76,630 thousand).

14. Subsequent events

On February 23, 2023 the Board of Directors of Linkfire A/S decided to issue warrants to the executive management, the senior leadership team, key employees and contracted staff within the authorization granted by the annual general meeting on 27 April 2022.
The purpose of the warrant program is to create possibilities for the company to retain and incentivize certain key employees by offering a long-term ownership engagement. In total the grants cover 2,676,000 warrants of which 936,000 warrants have been granted to the executive management and senior leadership, and the remaining 1,740,000 warrants have been granted to key employees and contracted staff.

There have not been any other subsequent events after the reporting period which could influence the evaluation of the interim report.

Statement by management

The Board of Directors and the Executive Board have today considered and approved the annual report for the financial year 01.01.2022 – 31.12.2022 for Linkfire A/S.

The annual report is presented in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

The Parent's financial statements have been prepared in accordance with the Danish Financial statements Act.

Copenhagen, 4 April 2023

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and Parent's assets, liabilities and financial position at 31.12.2022 and of the results of the Group's activities and cash flows for the financial year 01.01.2022 – 31.12.2022.

We believe that the management's review contains a fair review of the affairs and conditions referred to therein.

The annual report is submitted for adoption at the Annual General Meeting.

Executive Management

Lars Boëtius Ettrup

Tobias Elstrøm Demuth

Board of directors

Jesper Møller
Chairman

Thomas Weilby Knudsen

Charlotte Klinge

Ole Larsen

Petra von Rohr

Independent auditor's report

To the shareholders of Linkfire A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Linkfire A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for the Group as well as the Parent. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position at 31.12.2022, and of the results of its operations and cash flows for the financial year 01.01.2022 - 31.12.2022 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Furthermore, in our opinion, the parent financial statements give a true and fair view of the Parent's financial position at 31.12.2022, and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for

Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act as well as the preparation of parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement,

Independent auditor's report

whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from

fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and these parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 04.04.2023

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Claus Jorch Andersen
State Authorized Public Accountant Identification No (MNE) mne337

Glossary

Subscription Revenue	Subscription revenue is generated from recurring subscription fees which customers pay to use the Company's platform.
Commission Revenue	When consumers discover music and are funneled from the Linkfire discovery layer to various Digital Service Providers, Linkfire in some cases generates commission revenue through affiliate partnerships.
Digital Service Providers	Stores and/or services where consumers play music, purchase other related content, or sign up for subscriptions, e.g. Apple Music, Amazon, Ticketmaster, etc.
Consumer Connections	Represent the number of unique visitors on Linkfire's smart links and are a key driver for Commission revenue in conjunction with the ability to monetize traffic, reflected in the RPM.
Commission Revenue per Mille (RPM)	RPM is an important metric to Linkfire. It represents the commission revenue generated per thousand consumer connections for the period.
Constant Currency	Figures on a constant currency basis are an important measure to Linkfire as the majority of revenue is made in USD. This measure highlights the clean growth, adjusted for exchange rate impact in period-to-period comparison.

Company Information

The Company
Linkfire A/S
Rentemestervej 80
2400 Copenhagen

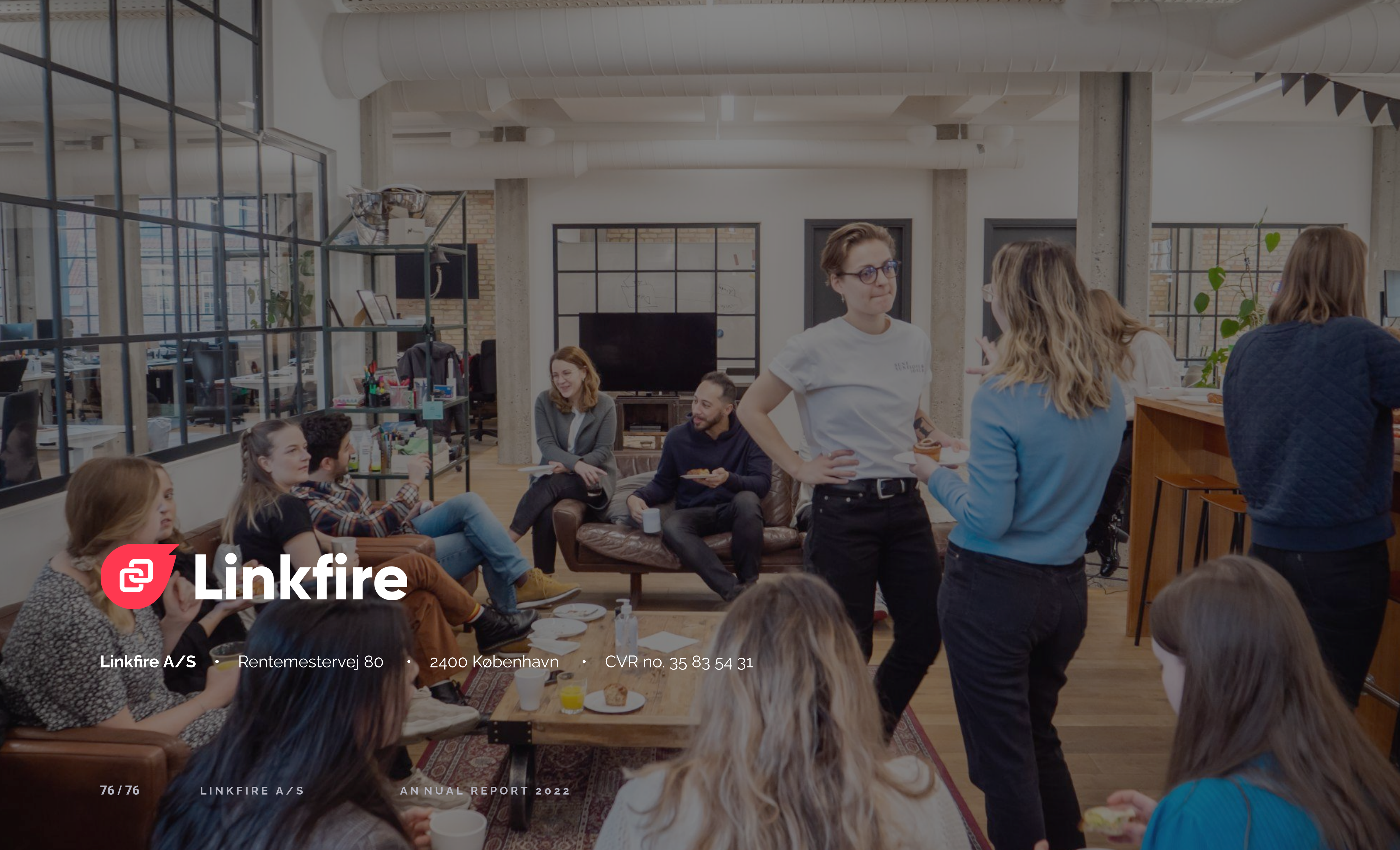
Business Registration no. 35 83 54 31
Registered Office: Copenhagen

Date of Incorporation: 15.04.2014
Financial Year: January 1 - December 31

Board of Directors
Jesper Møller, *Chairman*
Thomas Weilby Knudsen
Charlotte Klinge
Petra von Rohr
Ole Larsen

Executive Board
Lars Wiberg Ettrup
Tobias Demuth

Auditors
Deloitte Statsautoriseret
Revisionspartnerselskab



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